

EXECUTION VERSION

Loan No. 1978/OC-CH

Dated as of June 8, 2008

among

**CUENTA ESPECIAL DE REEMBOLSO
created pursuant to Law 20,206**

ADMINISTRADOR FINANCIERO DE TRANSANTIAGO S.A.

and

INTER-AMERICAN DEVELOPMENT BANK

Loan Agreement

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LOAN AGREEMENT

LOAN AGREEMENT, dated as of June 8, 2008 between:

- (1) **CUENTA ESPECIAL DE REEMBOLSO**, an autonomous legal patrimony created pursuant to the Government of Chile Reimbursement Agreement (defined below), and based on the provisions of Law 20,206 of July 2007 of the Republic of Chile (the *Borrower*).
- (2) **ADMINISTRADOR FINANCIERO DE TRANSANTIAGO S.A.**, a *sociedad anónima* organized and existing under the laws of Chile, in its individual capacity for the limited purposes described in Sections 4.3 and 6.7 ("*AFT*") and in its capacity as administrator (the "*Administrator*") of the Accounts (as defined below).
- (3) **INTER-AMERICAN DEVELOPMENT BANK**, an international organization established by the Agreement Establishing the Inter-American Development Bank among its member countries (*IDB*).

WHEREAS:

- A. The MTT (as defined below) developed, as part of the urban transportation plan in Santiago, a public transportation upgrading program, the so called "*Transantiago plan*", which was implemented to improve the level of public transportation services, promote its use, and decrease the pollution and traffic jam. The *Transantiago plan* included a set of tasks to achieve a physical and operational rebuilding of the public transportation system of the city of Santiago.
- B. In accordance with article 3 of Law 18.696 of the Republic of Chile, the MTT carried out various public bids to implement the system referred to above. In 2005, AFT awarded the public bid to render ancillary services for the financial management of all financial resources of the transportation system.
- C. On July 28, 2005 the MTT and AFT executed the AFT and MTT Agreement, by virtue of which AFT, in its capacity as Administrator, agreed to manage all financial resources, acting as agent of the transportation system.
- D. In July, 2007, the Chilean Congress passed Law 20,206 of the Republic of Chile, which (i) provided for the creation of the Borrower pursuant to the Government of Chile Reimbursement Agreement (as defined below), (ii) authorized the Borrower to obtain financing for the Project (as defined below), and (iii) authorized AFT to manage the Borrower (AFT in such capacity, the "*Manager*").
- E. Pursuant to certain letters dated May 8, 2008 and May 15, 2008 from the Bus Operators (as defined below) to the Manager and the Administrator, they have been requested by the Bus Operators (as defined below) to obtain, through the Borrower, financing for the Project (as defined below).

- F. The Borrower, pursuant to such request, desires to obtain financing to fund the operating expenses of the Project (as defined below).
- G. IDB has agreed to lend, and the Borrower has agreed to borrow, subject to the terms and conditions set forth herein, a loan in an aggregate principal amount of up to four hundred million Dollars (\$400,000,000) to be applied by the Borrower in connection with the Project.
- H. In consideration of an account payable of the Bus Operators (as defined below) owing to the Borrower arising from the Borrower's funding of their monthly operating expenses with the proceeds of Loans under this Agreement, the Bus Operators (as defined below) will direct their revenues from the Project to the CER (Borrower) Account (as defined below) as payments in partial satisfaction of such account payable, from which funds will pay the Obligations (as defined below) to IDB and fund the DSRA (as defined below) hereunder.
- I. By express instructions from the MTT, the Manager has been requested to enter into this Agreement and the other Financing Documents on behalf of the Borrower.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained and other good and valuable consideration (including, in the case of the Borrower, the ability that the making of the loan provides it to discharge its statutory, regulatory and contractual obligations on a current basis), the receipt and sufficiency of which are hereby acknowledged, the Borrower, the Administrator, AFT and IDB agree as follows:

ARTICLE 1

DEFINITIONS; INTERPRETATION

Section 1.1 Definitions.

In this Agreement the following terms shall have the following meanings:

Accounting Principles means the Chilean generally accepted accounting principles, and when adopted in Chile, IFRS promulgated by the IASB, together with its pronouncements thereon from time to time, and applied on a consistent basis.

Accounts means Banking Account #2, Banking Account #6, Banking Account #6 Dollar Account and the other accounts of the Project contemplated by the AFT and MTT Agreement.

Additional Participation Agreement means the agreement, in terms substantially similar to the Participation Agreement, to be entered between IDB and CORFO for purposes of providing Partial Credit Support to any Disbursement and other transactions contemplated herein occurring at any time after the date that is twelve (12) months from the date of the Participation Agreement..

Additional PCS means the Partial Credit Support granted by CORFO to IDB pursuant to the Additional Participation Agreement and the PCS Regulation.

Administrator has the meaning assigned to that term in the introductory paragraph hereto.

Affiliate means, with respect to any Person, any other Person (including directors and officers of such Person) directly or indirectly Controlling, Controlled by, or under direct or indirect common Control with such Person.

Affiliate Transaction has the meaning assigned to that term in Section 6.2.6 (*Affiliate Transactions*).

AFT has the meaning assigned to that term in the introductory paragraph.

AFT and MTT Agreement means the services agreement dated July 28, 2005 between AFT and MTT.

Agreement means this Loan Agreement including all Schedules and Exhibits attached hereto.

Allocated Quarterly Subsidy Amount means, with respect to any Financial Quarter, an amount equal to the Subsidy Amount for the calendar year in which that Financial Quarter falls, divided by four.

Annual Budget means the annual budget of the Project for each Financial Year, prepared by MTT and submitted by the Administrator, which shall include sufficient provisions to allow the Borrower to pay all amounts that will or may, during the relevant Financial Year, become due under the Financing Documents.

Approved Payments means:

- (a) payments to any Project Parties on the dates, terms and conditions specified in the Project Documents as in effect from time to time;
- (b) payments to the holder from time to time of the Bus Operators Promissory Notes;
- (c) payments to any Person other than a Project Party, with the previous written consent of IDB (such consent not to be unreasonably withheld or denied) on the dates, terms and conditions specified in such consent; and
- (d) payments (other than those payments set forth in clauses (a), (b) and (c) above) not exceeding \$100,000 in the aggregate during any Financial Year.

Auditors means KPMG, or such other firm of internationally recognized independent public accountants as the Administrator may from time to time appoint as auditors of the Borrower.

Authority means any supranational body, or any national, regional or local government or any other political subdivision thereof, any governmental, administrative, arbitral, regulatory, fiscal, judicial or government-owned body, department, commission, authority, tribunal, agency, central bank (or any Person, whether or not government owned and howsoever constituted or called, that exercises the functions of a central bank) or other entity of any kind exercising executive, legislative, judicial,

regulatory or administrative functions of or pertaining to government, in each case having jurisdiction over the matter or matters in question.

Authorization means any consent, registration, filing, agreement, enrolment, recording, notarization, certificate, license, approval, permit, authorization or exemption from, by or with any Authority, whether given or withheld by express action or deemed given or withheld by failure to act within any specified time period and all creditors' and any other third party approvals or consents.

Authorized Representative means, as to any Person, any natural person who is duly authorized by such Person to act for such Person, or with respect to financial matters, the chief financial officer, treasurer or similar officer of such Person and, in the case of any Person that has delivered a Certificate of Incumbency and Authority to IDB hereunder, any Person whose name and specimen signature appear on the Certificate of Incumbency and Authority most recently delivered by such Person to IDB.

Banco del Estado means Banco del Estado de Chile, a financial institution organized and existing under the laws of Chile.

Banco del Estado Loan means the loan extended to the Borrower by Banco del Estado under the Banco del Estado Loan Agreement.

Banco del Estado Loan Agreement means the loan agreement dated January 3, 2008 among the Borrower, the Administrator and Banco del Estado, as in effect on the Effective Date.

Banco del Estado PCS means the *Cobertura* or *Subsidio Contingente* provided by CORFO to Banco del Estado in connection with the Banco del Estado Loan.

Banking Account #2 means the account of such name described on Schedule 1 (*Project Accounts and Daily Provision Mechanism*).

Banking Account #6 means the account of such name described on Schedule 1 (*Project Accounts and Daily Provision Mechanism*).

Banking Account #6 Dollar Account means the account of such name described on Schedule 1 (*Project Accounts and Daily Provision Mechanism*).

Base Case means the financial projections for the Project that:

- (e) as of the Effective Date, is attached to this Agreement as Schedule 9 (*Base Case*), which were prepared by MTT, and reviewed by IDB's Technical Consultant; and
- (f) after the Effective Date, is prepared by MTT, stating the proposed uses of the Loan and delivered in electronic form, as such financial projections may be revised from time to time, including on any Relevant Date, pursuant to this Agreement, in each case using a methodology and assumptions reasonably acceptable to, and otherwise reasonably satisfactory in form and substance to, IDB.

Borrower has the meaning assigned to that term in the introductory paragraph.

Borrower's Information has the meaning assigned to that term in Section 8.6.1 (*Confidential Information*).

Bus Operators means:

- (a) *Buses Gran Santiago S.A.*, a *sociedad anónima* organized and existing under the laws of Chile;
- (b) *Buses Metropolitana S.A.*, a *sociedad anónima* organized and existing under the laws of Chile;
- (c) *Servicio de Transporte de Personas S.A.*, a *sociedad anónima* organized and existing under the laws of Chile;
- (d) *Unión del Transporte S.A.*, a *sociedad anónima* organized and existing under the laws of Chile;
- (e) *Comercial Nuevo Milenio S.A.*, a *sociedad anónima* organized and existing under the laws of Chile;
- (f) *Transaraucarias S.A.*, a *sociedad anónima* organized and existing under the laws of Chile;
- (g) *Inversiones Alsacia S.A.*, a *sociedad anónima* organized and existing under the laws of Chile;
- (h) *Express de Santiago Uno S.A.*, a *sociedad anónima* organized and existing under the laws of Chile;
- (i) *Subus Chile S.A.*, a *sociedad anónima* organized and existing under the laws of Chile;
- (j) *Redbus Urbano S.A.*, a *sociedad anónima* organized and existing under the laws of Chile; and
- (k) such other bus operators entering into a concession agreement with MTT in respect of the Project from time to time.

Business Operators Promissory Notes means promissory notes issued by the Administrator to the Bus Operators for an aggregate amount not in excess of Pesos 11,026,482,138.

Business Day means:

- (a) in respect of any Loan Repayment Date, Interest Payment Date or any other date when either the Borrower or CORFO is required to make payments under any

Financing Document, a day when banks are open for business in the City of New York, New York;

- (b) for all other purposes, including the transfers and deposits required to be made pursuant to Schedule 1 (*Project Accounts and Daily Provision Mechanism*), a day when banks are open for business in the City of New York, New York, and in Santiago, Chile; and
- (c) for the purposes of determining LIBOR only (other than pursuant to sub clause (b) of the definition of LIBOR), in London, England.

Capital Lease Obligations of any Person, means, as of the date of determination, the obligations of such Person to pay rent and other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under the Accounting Principles and applied on a consistent basis.

CER (Borrower) Account means the account of such name described on Schedule 1 (*Project Accounts and Daily Provision Mechanism*).

CER (Borrower) Dollar Account means the account of such name described on Schedule 1 (*Project Accounts and Daily Provision Mechanism*).

Certificates of Incumbency and Authority means the certificates provided to IDB by the Manager on behalf of the Borrower, by AFT and by MTT, each in the form of Exhibit 3 (*Form of Certificate of Incumbency and Authority*).

Chile means the Republic of Chile.

Chilean Budgetary Law means the annual budgetary law (*ley de presupuesto*) as published in the Chilean Official Gazette.

Collateral Trustee means Deutsche Bank Trust Company Americas, a banking corporation organized and existing under the laws of the state of New York.

Commitment Fee has the meaning assigned to that term in Section 3.8.2 (*Charges and Fees*).

Commitment Termination Date means the earliest of:

- (a) the full disbursement or cancellation in full of the Loan;
- (b) January 31, 2011; and
- (c) the date that is one hundred and eighty days after the Effective Date; provided that, the first Disbursement has not occurred on or prior to such date.

Concession Contracts means each of the concession contracts entered into between the MTT and each Bus Operator for the provision of public transportation services, as amended from time to time.

Consultants means the Economic Consultant, the Technical Consultant and the Environmental and Social Consultant.

Contractors means, in respect of any Project Party, each of their respective contractors and subcontractors undertaking infrastructure works in respect of the Project.

Control means, with respect to any Person, any other Person having the power, directly or indirectly, (a) to vote 50% or more of the securities having ordinary voting power for the election of directors of such Person; or (b) to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise (**Controlling** and **Controlled** have corresponding meanings).

Corrective Action Plan means a plan, in form and substance reasonably acceptable to IDB, to correct, and to remedy all material damage and adverse consequences caused by, any failure by any Environmental Party to comply with any Environmental and Social Requirement, which plan shall include:

- (a) a brief description of such non-compliance, including the extent, magnitude, impact and cause thereof;
- (b) the proposed actions to correct, and to remedy all material damage and adverse consequences caused by, the non-compliance;
- (c) the assignment of responsibility for implementing such proposed actions;
- (d) a time schedule for implementing such proposed actions, including the start date, the end date and key milestones;
- (e) an estimated cost of such proposed actions; and
- (f) the proposed actions to prevent similar such non-compliance from occurring in the future.

CORFO means *Corporación de Fomento de la Producción*, an autonomous body of the state of Chile.

Court has the meaning assigned to that term in Section 8.11 (*Arbitration*).

Daily Debt Service Provision means, on any date of determination:

- (a) the aggregate of the Peso amount, and for any Debt Service payable in Dollars, the Peso Equivalent, calculated on such date, of the aggregate Debt Service payable (whether on a scheduled date, by acceleration or otherwise) by the Borrower during the Transfer Period in which such date of determination falls;

divided by

- (b) the number of calendar days in such Transfer Period.

Daily DSRA Provision means, on any date of determination, the Peso Equivalent, calculated on such date of:

- (a) the Monthly DSRA Provision for the Transfer Period in which such date of determination falls;

divided by

- (b) the number of days in such Transfer Period.

Daily DSRA Shortfall Provision means, in respect of any Transfer Period in which a DSRA Shortfall exists on the first day of such Transfer Period, and on any date of determination, an amount equal to:

- (a) the Peso Equivalent, calculated on such date of determination, of the aggregate amount of the DSRA Shortfall on the first day of such Transfer Period;

divided by

- (b) the number of days in such Transfer Period.

Daily Expense Provision means, in respect of any Transfer Period, and on any date of determination, an amount equal to:

- (a) the sum of the Peso Equivalent, calculated on such date of determination, of the aggregate invoices issued to the Borrower during the immediately preceding Transfer Period in respect of fees and expenses falling due under the Financing Documents (including fees and expenses incurred in connection with the PCS, the Participation Agreement, the Additional PCS and the Additional Participation Agreement);

divided by

- (b) the number of days in such current Transfer Period.

Daily Provision means, on any date of determination, an amount equal to the sum of the Daily Unpaid Amount Provision, the Daily Shortfall Provision Balance, the Daily Debt Service Provision, the Daily DSRA Shortfall Provision, the Daily Expense Provision and the Daily DSRA Provision, in each case on such date; provided, however, to the extent of any shortfall on such date of determination in the aggregate Daily Provision, available amounts will be used to fund the Daily Provision on such date in the order specified in this definition and in accordance with Schedule 1 (*Project Accounts and Daily Provision Mechanism*).

Daily Shortfall Provision Balance means for any day in a Transfer Period, the excess (if any) of:

- (a) the sum of:
 - (i) the aggregate Daily Provision for each day in that calendar month which has accrued up to and including the applicable calculation date; *plus*
 - (ii) the aggregate (only if positive) of the Daily Shortfall Provision Balance on such day; provided, however, that:
 - (x) to the extent the balance in Banking Account #2 on any day is insufficient to make such transfer on such day to the CER (Borrower) Account in the full amount required by this clause (a)(ii)(x), the amount of any such insufficiency shall be added to the Daily Shortfall Provision Balance for the following Transfer Date; and
 - (y) on the fifth (5th) Business Day prior to the end of each Transfer Period, if the aggregate amount held in the CER (Borrower) Dollar Account in Dollars or in Permitted Dollar Investments is less than the aggregate amount of the IDB Daily Provision (calculated in Dollars) which has accrued for all days in the month preceding that day, the amount of such shortfall shall be added to the Daily Shortfall Provision Balance for the following Transfer Date; *plus*
 - (iii) any amount calculated under Section 2.4.1(2) (*Deposits into the DSRA*) of Schedule 1 (*Project Accounts and Daily Provision Mechanism*);
- over*
- (b) the aggregate amount of the Daily Provision for each day in that calendar month which was actually transferred to the CER (Borrower) Account in accordance with the provisions set out in Schedule 1 (*Project Accounts and Daily Provision Mechanism*).

Daily Unpaid Amount Provision means, on any date of determination, an amount equal to all amounts (including interest) of the types listed in Sections 2.3.3(a)(1) through (3) (*CER (Borrower) Account*) of Schedule 1 (*Project Accounts and Daily Provision Mechanism*), if any, which are due and payable and are unpaid on such date.

Debt means, with respect to any Person, the aggregate (as of the relevant date of calculation) of all such Person's obligations (whether actual or contingent) to pay or repay money, including:

- (a) all Indebtedness for Money Borrowed;
- (b) any credit to such Person from a supplier of goods or under any installment purchase or other similar arrangement in respect of goods or services (except trade accounts payable within ninety (90) days in the ordinary course of business);

- (c) the aggregate amount then outstanding of all liabilities of any other Person to the extent that such Person provides a guarantee of, or indemnity for, such liabilities or otherwise obligates itself to pay such liabilities;
- (d) all liabilities of such Person (actual or contingent) under any conditional sale or a transfer with recourse or obligation to repurchase, including by way of discount or factoring of book debts or receivables; and
- (e) all Capital Lease Obligations of such Person.

Debt Service means, for any period, the sum of: (a) all scheduled payments (whether or not actually paid) falling due on account of principal of Permitted Debt and interest and other charges on Permitted Debt, and (b) without double counting with respect to any payment already counted in the preceding sub-clause (a), any payment made or required to be made to any debt service account (except the DSRA) under the terms of any agreement providing for the Permitted Debt; provided that, for the computation of interest payable during any period for which the applicable rate is not yet determined, that interest shall be computed at the rate in effect on the relevant date of calculation.

Debt Service Reserve Requirement means:

- (a) at any time during the period commencing on the Effective Date and ending on May 14, 2009, an amount equal to the sum of the Monthly DSRA Provisions made in each Transfer Period during such period (as set out in the definition of Monthly DSRA Provision);
- (b) for the period commencing on May 15, 2009, and ending on February 15, 2011, in any Transfer Period falling therein, the greater of:
 - (i) the cumulative amount of the Monthly DSRA Provision to be made in such Transfer Period (if any) and the Monthly DSRA Provision for all Transfer Periods preceding that Transfer Period during which a Monthly DSRA Provision is to be made (as set out in the definition of Monthly DSRA Provision); and
 - (ii) an amount equal to the Debt Service due under this Agreement in the twelve (12) month period starting with the first day of the Transfer Period corresponding to the date of calculation; and
- (c) at any time after February 15, 2011, in any Transfer Period falling therein, an amount equal to the Debt Service due under this Agreement in the twelve (12) month period starting with the first day of the Transfer Period corresponding to the date of calculation.

Default means any event or condition that constitutes an Event of Default or which, upon notice, lapse of time, the making of a determination or any combination thereof, would become an Event of Default.

Derivatives Transaction means any swap agreement, cap agreement, collar agreement, futures contract, forward contract or similar arrangement with respect to interest rates, currencies, commodities or indices or otherwise relating to the hedging of assets or liabilities.

Disbursement means any amount of the Loan that is disbursed pursuant to Section 3.2 (*Disbursement Procedure*).

Disbursement Date means each date the proceeds of a Disbursement are released to the Borrower.

Disbursement Request means a request for Disbursement substantially in the form of Exhibit 1(A) (*Form of Disbursement Request*).

Dollars and the sign \$ mean the lawful currency of the United States of America.

DSRA has the meaning assigned to the term "Debt Service Reserve Account or DSR Account" in the Securities Accounts Administration and Control Agreement.

DSRA Shortfall means, at any time and from time to time, the amount by which the Debt Service Reserve Requirement at such time exceeds the current balance in the DSRA at such time.

Economic Consultant means any Person appointed by IDB to act as the economic consultant to IDB for purposes of this Agreement to review the Annual Budget for 2008, and, but only as reasonably requested by IDB, to review Annual Budgets for any future year.

Effective Date means the date of this Agreement.

Environmental and Social Compliance Report means a report prepared by MTT and submitted by the Borrower, in form and substance reasonably satisfactory to IDB, as described in Section 6.6.1 (*Environmental and Social Covenants*) to provide the necessary information required to assess compliance with the Environmental and Social Provisions, including compliance with Environmental and Social Requirements and the implementation status and results of programs in Environmental Plans.

Environmental and Social Consultant means the Clean Air Institute or any other Person appointed by IDB to act as the environmental and social consultant to IDB for purposes of this Agreement.

Environmental and Social Provisions means Sections 5.1.6 (*Environmental and Social*), 6.6 (*Environmental and Social Covenants*) and any other provision of this Agreement relating to Environmental or Social Matters.

Environmental and Social Requirements means all applicable requirements, conditions, standards, protections, obligations or performance with respect to Environmental or Social Matters required by:

- (a) any Environmental Law;
- (b) any Authorization issued by any Authority or otherwise under any Environmental Law;
- (c) any Environmental Plan;
- (d) the Environmental Management System;
- (e) any Fundamental Principles and Rights at Work; and
- (f) the IDB Environmental and Social Guidelines.

Environmental Claim means, with respect to any Environmental Party, any written notice, claim, administrative, regulatory or judicial or equitable action, suit, Lien, judgment or demand by any other Person or any written communication by any Authority, in either case, alleging or asserting such Person's liability for investigatory costs, cleanup costs, consultants' fees, governmental response costs, damage to natural resources (including wetlands, wildlife, aquatic and terrestrial species and vegetation) or other Property, personal injuries, fines or penalties or any other damages arising out of, based on or resulting from:

- (a) the presence or Release of any Hazardous Substance at any location, whether or not owned by such Person,
- (b) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law or any Authorization issued by any Authority or otherwise under any Environmental Law, or
- (c) any other Environmental or Social Matter.

Environmental, Health and Safety Action Plan means in relation to the Borrower's activities and including the Project, a plan to correct, and to remedy all material damage and other adverse consequences caused by, any non-compliance with any Environmental and Social Requirement or deficiency identified in the environmental and social due diligence to describe the actions necessary to develop and implement an Environmental Management System, which plan shall be in the form attached as Schedule 7 (*Environmental, Health and Safety Action Plan*).

Environmental Impact Assessment or ***EIA*** means a systematic and comprehensive study, that fully complies with all Environmental Laws, relating to the analysis and evaluation of a project's potential environmental and social impacts, both positive and negative, taking into account overall cumulative primary and secondary consequences likely to alter significantly the quality of the natural and human environment, including:

- (a) an executive summary;
- (b) a description of the proposed project, including construction and operation;
- (c) a description of the applicable Environmental Laws and institutional framework;

- (d) a description of the environmental and social conditions in the area of both direct and indirect influence of the project;
- (e) an analysis of the direct, indirect and cumulative environmental and social impacts and risks relating to the project;
- (f) a summary description and evaluation of the project alternatives (including site selection) considered and the rationale for selecting the proposed alternative;
- (g) a description of measures and recommendations for preventing, avoiding, reducing, eliminating, mitigating or compensating the environmental and social impacts of the selected alternative;
- (h) a description of the monitoring, reporting and evaluation requirements during project construction and operation;
- (i) the schedule, assignment of responsibility and budget for the environmental and social mitigation measures and monitoring programs; and
- (j) a record of the process and a summary of the results of information disclosure and public consultation with the affected population.

Environmental Laws means all Chilean applicable laws relating to Environmental or Social Matters.

Environmental Management System or ***EMS*** means an environmental management system for the Borrower's activities, consistent with ISO 14001 (Environmental Management Systems) or any other collection of similar voluntary standards pertaining to environmental management, including policies, procedures, performance indicators, responsibilities, training and periodic audits and inspections with respect to Environmental or Social Matters, which shall include all aspects, which may be done by reference, of each of the Environmental Plans.

Environmental Monitoring Agreement means the environmental monitoring agreement dated after the date of this Agreement among the Borrower, the Administrator, IDB and the Environmental and Social Consultant.

Environmental or Social Matter means any:

- (a) Release into the air including the air within buildings and other natural or man-made structures above ground;
- (b) Release into water including into any river, watercourse, lake, or pond (whether natural or artificial, above ground or that joins or flows into any such water outlet above ground) or reservoir, or onto the surface of the riverbed or of other land supporting such waters, or into ground waters, sewer or the sea;

- (c) deposit, disposal, keeping, storage, treatment, importation, exportation, production, transportation, handling, processing, carrying, manufacture, collection, sorting or presence of any Hazardous Substance or any waste or substance that constitutes a scrap material or an effluent or other unwanted surplus substance arising from the application of any process or activity (including making it reusable or reclaiming substances from it) and any substance or article that is required to be disposed of as being broken, worn out, contaminated or otherwise spoiled;
- (d) nuisance, noise, defective premises, health and safety at work, industrial illness, industrial injury due to environmental factors, environmental health problems (including asbestosis or any other illness or injury caused by exposure to asbestos) or genetically modified organisms;
- (e) conservation, preservation or protection of the natural or man-made environment or any living organisms supported by the natural or man-made environment;
- (f) conservation of archaeological and historical sites, rights-of-way, resettlement, expropriation and indemnification, indigenous groups, traffic, or any other matters whatsoever affecting social conditions;
- (g) labor rights, worker rights, or human rights; or
- (h) any other matter whatsoever relating to human health, environment, social issues or health and safety.

Environmental Party means each Project Party and each of their respective Contractors.

Environmental Plans means:

- (a) the Environmental, Health and Safety Action Plan,
- (b) the Environmental Management System; and
- (c) each Corrective Action Plan.

Event of Default means any one of the events specified in Section 7.2 (*Events of Default*).

Excess DSRA Amount has the meaning ascribed thereto in Section 2.4.2(3) of Schedule 1 (*Project Accounts and Daily Provision Mechanism*).

Final Maturity Date means January 15, 2024, or any earlier date that the entire outstanding principal amount of the Loan is declared to be or otherwise becomes due and payable in accordance with the terms of this Agreement.

Financial Quarter means each period commencing on the day after a Financial Quarter Date and ending on the next succeeding Financial Quarter Date.

Financial Quarter Date means each March 31, June 30, September 30 and December 31.

Financial Statements means, with respect to any Person, as of any relevant date and for the relevant period, as applicable, such Person's balance sheet, income statement, cash flow statement, statement of sources and uses of funds and statement showing changes in equity and any exhibits and notes thereto, which shall be prepared in Pesos, all prepared on a consistent basis in accordance with the Accounting Principles.

Financial Year means the period commencing each year on January 1 and ending on the following December 31 or such other period as the Borrower, with IDB's consent, from time to time designates as its "financial year" for purposes hereof.

Financing Documents means:

- (a) this Agreement;
- (b) the Participation Agreement;
- (c) the Additional Participation Agreement;
- (d) the PCS;
- (e) the Additional PCS;
- (f) the Security Documents;
- (g) the Intercreditor Agreement;
- (h) the Environmental Monitoring Agreement;
- (i) the Notes; and
- (j) all other documents and certificates required to be delivered from time to time hereunder and thereunder.

First Disbursement Date means the Disbursement Date on which IDB makes its first Disbursement.

Foreign Asset Control and Anti-money Laundering Regulations means, collectively, the following: (a) the regulations of the Office of Foreign Assets Control (**OFAC**) of the United States of America Department of Treasury; (b) the U.S.A. Patriot Act of the United States of America; and (c) each of the lists of persons suspected of involvement in terrorist activities maintained by OFAC, the United Kingdom of Great Britain and Northern Ireland and the United Nations.

Full Prepayment Notice has the meaning ascribed thereto in the Securities Accounts Administration and Control Agreement.

Fundamental Principles and Rights at Work means:

- (a) freedom of association and the effective recognition of the right to collective bargaining;

- (b) prohibition of all forms of forced or compulsory labor;
- (c) prohibition of child labor, including the prohibition of persons under eighteen (18) years of age from working in hazardous conditions (which includes construction activities), persons under eighteen (18) years of age from working at night, and that persons under eighteen (18) years of age be found fit to work via medical examinations;
- (d) elimination of discrimination in respect of employment and occupation, where discrimination is defined as any distinction, exclusion or preference based on race, color, sex, religion, political opinion, national extraction or social origin;
- (e) compliance with all applicable laws relating to labor; and
- (f) compliance with all International Labor Organization conventions and treaties that have been ratified by Chile.

Government of Chile Loan means the loan extended to the Borrower under the Government of Chile Reimbursement Agreement.

Government of Chile Reimbursement Agreement means that certain agreement dated July 27, 2007, among the Administrator, MTT and the Bus Operators.

Hazardous Substance means any hazardous or toxic substances, materials or wastes defined, listed, classified or regulated as such in or under any applicable Environmental Law, including:

- (a) any petroleum or petroleum products (including gasoline or crude or any fraction thereof, but excluding small quantities of lubricating greases), flammable explosives, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and polychlorinated biphenyl;
- (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants," "contaminants" or "pollutants", or words of similar import, under any applicable Environmental Law; or
- (c) any other chemical, material or substance, exposure to or Release of which is prohibited, limited or regulated by any Authority.

IASB means the International Accounting Standards Board.

IDB has the meaning assigned to that term in the introductory paragraph hereto.

IDB Daily Provision means, as of any date of determination, an amount equal to:

- (a) the amount, calculated in Dollars, of the aggregate of (i) the part of the Daily Debt Service Provision which is allocable to the Loan, (ii) the Daily DSRA Provision, (iii)

the Daily DSRA Shortfall Provision, if any, on such date, (iv) the part of the Daily Expense Provision which has accrued under this Agreement and which is projected to accrue during the next succeeding Transfer Period, if any, and (v) the Daily Unpaid Amount Provision which is allocable to amounts which accrued under this Agreement, if any;

divided by;

- (b) the number of calendar days in such next succeeding Transfer Period.

IDB Environmental and Social Guidelines means the IDB policy on Environment and Safeguard Compliance (dated January 2006) and the IDB Policy on Involuntary Resettlement (dated August 1998), as more fully described on the websites referenced on Schedule 2 (*IDB Environmental and Social Guidelines*).

IDB Members means the member countries of IDB listed on Schedule 4 (*Member Countries of IDB*).

IFRS means the International Financial Reporting Standards (formerly International Accounting Standards).

Increased Costs means the amount certified in an Increased Costs Certificate to be the net incremental costs of, or reduction of return to, IDB in connection with making or maintaining the Loan that result from:

- (a) any change in applicable law or in the interpretation thereof by any Authority charged with the administration or interpretation thereof, whether or not having the force of law; or
- (b) any compliance with any request from, or requirement of, any central bank or other monetary or other Authority;

which in either case, subsequent to the Effective Date:

- (i) imposes, modifies or makes applicable any reserve, special deposit or similar requirements against Property held by, or deposits with or for the account of, or loans made by, IDB;
- (ii) imposes a cost on IDB as a result of its having made or committed to make the Loan or reduces the rate of return on the overall capital of IDB that it would have been able to achieve had IDB not made or committed to make the Loan;
- (iii) changes the basis of taxation on payments received by IDB in respect of the Loan (other than a change in taxation of the overall net income of IDB imposed by the jurisdiction of its incorporation or in any political subdivision of any such jurisdiction); or

- (iv) imposes on IDB any other condition regarding the making or maintaining of the Loan.

Increased Costs Certificate means a certificate furnished from time to time by IDB certifying:

- (a) the circumstances giving rise to the Increased Costs;
- (b) that the costs of IDB have increased or its rate of return has been reduced;
- (c) the Increased Costs; and
- (d) that IDB has exercised reasonable efforts to minimize or eliminate the relevant increase or reduction, as the case may be;

provided that IDB shall not be obliged to disclose any information that it considers to be confidential in providing such certificate.

Indebtedness for Money Borrowed means all obligations of the Borrower in respect of:

- (a) borrowed money, including the Loan;
- (b) the outstanding principal amount of any bonds, notes, loan stock, commercial paper, acceptance credits, debentures and bills or promissory notes drawn, accepted, endorsed or issued by the Borrower;
- (c) the deferred purchase price of assets or services (other than trade accounts incurred and payable in the ordinary course of business to trade creditors within one hundred eighty (180) days of the date that they are incurred and which are not overdue);
- (d) non-contingent obligations of the Borrower to reimburse any other Person in respect of amounts paid under a letter of credit or similar instrument (excluding any such letter of credit or similar instrument issued for the account of the Borrower in respect of trade accounts incurred and payable in the ordinary course of business to trade creditors within one hundred eighty (180) days of the date that they are incurred and which are not overdue);
- (e) amounts raised under any other transaction having the commercial effect of a borrowing and that would be classified as a borrowing (and not as an off-balance sheet financing) under the Accounting Principles including under leases or similar arrangements entered into primarily as a means of financing the asset leased;
- (f) any Derivatives Transactions;
- (g) any premium payable on a redemption or replacement of any of the foregoing items; and
- (h) the amount of any obligation in respect of any guarantee or indemnity for any of the foregoing items incurred by any other Person.

Indemnified Liabilities has the meaning assigned to that term in Section 8.3 (*Indemnity*).

Indemnified Persons has the meaning assigned to that term in Section 8.3 (*Indemnity*).

Intercreditor Agreement means the intercreditor agreement dated on or about the date hereof between Banco del Estado and IDB.

Interest Payment Date means the fifteenth (15th) day of each month, starting on July 15, 2008.

Interest Period means each one (1) month period beginning on an Interest Payment Date and ending on the next following Interest Payment Date, except in the case of the first Interest Period in respect of any Disbursement, when it shall mean the period beginning on the date on which such Disbursement is made and ending on the next following Interest Payment Date.

Interest Rate means the rate of interest payable on the outstanding principal amount of the Loan from time to time, determined in accordance with Section 3.21.3 (*Interest Rate*).

Interest Rate Determination Date means the second (2nd) Business Day prior to a Disbursement Date or Interest Payment Date, as applicable.

Legal Retainer Agreements means:

- (a) the Legal Retainer Agreement among the Borrower, the Administrator, IDB and Claro y Compañía for the provision of legal services in respect of the Project; and
- (b) the Legal Retainer Agreement among the Borrower, IDB and Clifford Chance US LLP for the provision of legal services in respect of the Project.

LIBOR means the British Bankers' Association interbank offered rates as of 11:00 a.m. London time for deposits in Dollars that appear on the relevant page of the Reuters Service (currently Reuters Screen LIBOR01 page) or, if not available, on the relevant pages of any other service (such as Bloomberg Financial Markets Service) that displays such British Bankers' Association rates; provided that if, for any Interest Period, IDB concludes in its discretion that it cannot determine LIBOR by reference to any service that displays British Bankers' Association interbank offered rates for deposits in Dollars, IDB shall notify the Borrower and shall instead determine LIBOR:

- (a) on the Interest Rate Determination Date by calculating the arithmetic mean of the offered rates advised to IDB on or around 11:00 a.m. London time, for deposits in Dollars by any three (3) major banks active in Dollars in the London interbank market, selected by IDB; provided that if fewer than three (3) quotations are received, IDB may rely on the quotations so received if not less than two (2); or
- (b) if fewer than two (2) quotations are received from the banks in London in accordance with sub-clause (a) above, on the first day of the relevant Interest Period, by calculating the arithmetic mean of the offered rates advised to IDB on or around 11:00 a.m. New York time, for loans in Dollars, by a major bank or banks in New York, New York selected by IDB.

Lien means any mortgage, pledge, charge, assignment, hypothecation, lien, security interest, title retention, preferential right (arising by operation of law or otherwise), trust arrangement, right of set-off, counterclaim or banker's lien, privilege or priority of any kind having the effect of security, including any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy.

Loan means the loan specified in Section 3.1 (*The Loan Amount*) or, as the context may require, the principal amount thereof from time to time outstanding.

Loan Repayment Date means February 15th, 2011, and the 15th day of each month thereafter, to (and including) the Final Maturity Date.

Long-term Debt means, as of any relevant determination date, all Debt other than Short-term Debt.

Long-term Subsidy Amount means any subsidy amount that is allocated to the Project for a period of at least twelve (12) calendar months.

Manager has the meaning assigned to that term in Whereas (D).

Material Adverse Effect means a material adverse effect on:

- (a) the business, Property, liabilities, operations, prospects or condition, financial or otherwise, of the Borrower, the Project or CORFO;
- (b) the ability of the Borrower, the Administrator, AFT, CORFO and MTT to perform their obligations or enforce their rights under any Transaction Document to which they are a party;
- (c) the validity or enforceability of any material provision of any Financing Document; or
- (d) the rights or remedies of IDB under any of the Financing Documents.

Material Project Party means the Administrator, AFT, the Borrower, CORFO and MTT.

Metro and AFT Agreements mean each of the *Mandato de Recaudación y Custodia* and the *Contrato de Prestación de Servicios de Comercialización y Carga de Medios de Acceso al Sistema Transantiago*, between AFT and the Metro Operator, as amended.

Metro Operator means *Empresa de Transporte de Pasajeros Metro S.A.*, a state owned *sociedad anónima* organized and existing under the laws of Chile.

Monthly DSRA Provision means:

- (a) for each of the first eleven (11) Transfer Periods starting from and including June 15 2008, an amount equal to the Peso Equivalent on such date of two million nine hundred thousand Dollars (\$2,900,000); and

- (b) in respect of each of the ten (10) Transfer Periods following the period referred to in sub-clause (a), an amount equal to the Peso Equivalent on such date of one million Dollars (\$1,000,000); and
- (c) in respect of each of the twelve (12) Transfer Periods following the period referred to in sub-clause (b), an amount equal to the Peso Equivalent at the end of such Transfer Period of the difference between the scheduled Debt Service due under this Agreement in the twelve (12) month period starting on February 15, 2011 and the amount in the DSRA at February 15, 2010, divided by twelve.

MH means *Ministerio de Hacienda de la República de Chile*, an executive department of the state of Chile.

MTT means *Ministerio de Transportes y Telecomunicaciones de la República de Chile*, an executive department of the state of Chile.

MTT Comfort Letter means the letter dated on the Effective Date, from MTT to IDB.

MTT Instruction means a letter from MTT to the Borrower and the Administrator substantially in the form of Exhibit 1(B) (*Form of MTT Instruction*).

MTT Letters means the MTT Comfort Letter and the MTT Undertaking Letter.

MTT Undertaking Letter means the letter dated on the Effective Date, from MTT to IDB.

MTT/MH Comfort Letter means the letter dated on the Effective Date, from MTT and MH to IDB.

Net Operating Cashflows means, for any period, aggregate revenues generated by the Project less operations and maintenance expenses and funding of reserves during such period.

Notes has the meaning assigned to that term in Section 3.22 (*Notes*).

Obligations means the collective reference to:

- (a) the unpaid amount of principal of and interest on the Loan (including interest accruing at the then applicable rate provided in this Agreement after the maturity of the Loan and interest accruing at the then applicable rate after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding); and
- (b) all other obligations and liabilities of the Borrower to IDB under this Agreement or any other Financing Document whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement or the other Financing Documents or any other document made, delivered or given in connection herewith or therewith, in each case whether on account of principal, interest, reimbursement obligations, fees,

indemnities, costs, charges, expenses or otherwise (including all fees and expenses that are required to be paid by the Borrower pursuant to the terms of this Agreement or any other Financing Document).

Obstructive Practice means, in connection with any investigation by IDB or any Authority into allegations of Prohibited Practices committed or engaged in by the Borrower, or any of its Affiliates or any other Person acting on behalf of the Borrower or any of its Affiliates: (a) deliberately destroying, falsifying, altering or concealing evidence material to such investigation or making false statements to investigators in order to materially impede such investigation; (b) threatening, harassing or intimidating any Person to prevent such Person from disclosing knowledge of matters relevant to such investigation or from pursuing such investigation; or (c) taking any action intended to materially impede the exercise of the rights to access, information and inspection provided to IDB under this Agreement.

Operations means, with respect to any Person, the business operations, activities and facilities of such Person.

Organizational Documents means, with respect to any Person (other than a natural person), the memorandum and articles of incorporation, charter or other constitutive documents, however called, of such Person; provided however that, in the case of the Borrower, the Organizational Documents are those described in Exhibit 5.

Other Taxes has the meaning assigned to that term in Section 3.13.4 (*Taxes*).

Participation Agreement means the agreement entitled "*Contrato de Participación en Instrumento de Subsidio o Cobertura a Préstamos para el Desarrollo de Alternativas de Financiamiento para el Funcionamiento del Sistema de Transporte Público de la Ciudad de Santiago*", dated on or about the Effective Date, between IDB and CORFO.

PCS means the Partial Credit Support granted by CORFO to IDB pursuant to the Participation Agreement and the PCS Regulation.

PCS Account means an account held by CORFO for the benefit of IDB in an amount not less than three hundred and twenty million Dollars (\$320,000,000) funded pursuant to the terms of the *decreto supremo* No. 793 of the MH dated August 30, 2004, as amended.

PCS Regulation means the *Reglamento de Cobertura de Préstamos para el Desarrollo de Alternativas de Financiamiento para el Funcionamiento del Sistema de Transporte Público de la ciudad de Santiago* adopted by CORFO on May 16, 2008, approved by the Contraloría General de la República on June 5, 2008 and published in the Chilean Official Gazette on June 6, 2008.

Permitted Debt means any Debt permitted under Section 6.2.1 (*Permitted Indebtedness*).

Permitted Dollar Investments shall have the meaning ascribed to such term in the Securities Accounts Administration and Control Agreement.

Permitted Liens means:

- (a) any Lien arising from any tax, assessment or other governmental charge or any other Lien arising by operation of law;
- (b) Liens arising pursuant to any order of attachment, distraint or similar legal process and in connection with court proceedings; and
- (c) Liens arising under this Agreement, the Security Documents or any other Financing Documents.

Person means any natural person or any company, partnership, joint venture, firm, corporation, voluntary association, trust, enterprise, unincorporated organization or other body corporate or any Authority or any other entity, including the Borrower, in each case, whether acting in an individual, fiduciary or other capacity.

Pesos means the lawful currency of Chile.

Peso Equivalent means, with respect to any monetary amount in Dollars, at any time for the determination thereof, the amount of Pesos obtained by the Administrator by converting the amount of Dollars involved in such computation into Pesos following the procedures instructed from time to time by MTT, for delivery of Dollars at approximately 11 a.m. (Santiago time) on the date of determination thereof.

Prohibited Practice means any of the following:

- (a) impairing or harming, or threatening to impair or harm, directly or indirectly, any Person or the property of such Person to influence improperly the actions of such Person or any other Person including, without limitation, bid-rigging or any such other actions undertaken with respect to the granting of contracts or government concessions or otherwise in furtherance of a Corrupt Practice or a Fraudulent Practice, as such terms are defined below (a **Coercive Practice**);
- (b) an arrangement between two or more Persons designed to influence improperly the actions of another Person or to otherwise achieve an improper purpose including, without limitation, bid-rigging or any such other actions undertaken with respect to the granting of contracts or government concessions or otherwise in furtherance of a Corrupt Practice or a Fraudulent Practice, as such terms are defined below (a **Collusive Practice**);
- (c) offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of any official of any Authority or any other Person including, without limitation, bribery and practices commonly referred to as "kickbacks" (a **Corrupt Practice**);
- (d) any action, misrepresentation or omission that knowingly or recklessly misleads or attempts to mislead any other Person in order to obtain a financial benefit or avoid an obligation (a **Fraudulent Practice**); or

- (e) an Obstructive Practice.

Project means *Sistema de Transporte de Transantiago*, an integrated public transport system serving the metropolitan region of Santiago, Chile, under the granting authority and coordination of MTT.

Project Documents means:

- (a) The Concession Contracts;
- (b) The AFT and MTT Agreement;
- (c) The Metro and AFT Agreements;
- (d) Each of the *Mandatos Mercantiles* between (i) a Bus Operator and AFT or (ii) the Metro Operator and AFT;
- (e) The *Acuerdo Marco para Aporte Operacional* dated May 29, 2008, among Empresa de Transporte de Pasajeros Metro S.A., AFT and MTT; and
- (f) The *Acuerdo Para la Suspension Transitoria del Mecanismo de Conciliación* dated May 27, 2008, among Empresa de Transporte de Pasajeros Metro S.A., AFT and MTT.

Project Parties means:

- (a) AFT;
- (b) the Administrator;
- (c) the Metro Operator;
- (d) the Bus Operators; and
- (e) MTT, in respect of the Project.

Project Revenues means all cash receipts deposited in Banking Account #2 in connection with the operations and financing of the Project, including payments received pursuant to the Concession Contracts, any other Project Document and the Subsidy Amounts.

Property means any right or interest in or to assets or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

Release means with respect to any chemical, material or substance any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing or other introduction into the environment of such chemical, material or substance, including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Substance.

Relevant Change has the meaning assigned to that term in Section 3.19 (*Illegality*).

Relevant Date means the date that is five (5) Business Days after the occurrence of an event or circumstance that materially and adversely alters the projections used in calculating the Sustainability Index or the Base Case on the last day of the immediately preceding Financial Quarter.

Relevant Permit means each Authorization that is necessary under applicable law:

- (a) for the Loan and the Notes;
- (b) for the Borrower to conduct its business as it is presently carried on and is contemplated to be carried on;
- (c) for the Project to be carried out in accordance with the Transaction Documents;
- (d) in connection with the execution, delivery, validity and enforceability of the Financing Documents, the performance by each party thereto of its obligations thereunder, and the enforcement by IDB of its rights and remedies thereunder;
- (e) for the remittance to IDB or its assigns in Dollars of all monies payable under or with respect to the Financing Documents; and
- (f) for the Project to comply with applicable law and the Environmental and Social Requirements.

Second Currency has the meaning assigned to that term in Section 3.10 (*Judgment Currency*).

Securities Accounts Administration and Control Agreement means the Securities Accounts Administration and Control Agreement dated on or after the Effective Date among the Borrower, IDB, the Collateral Trustee and the Securities Intermediary.

Securities Intermediary means Deutsche Bank Trust Company Americas, a banking corporation organized and existing under the laws of the state of New York.

Security Documents means the Securities Accounts Administration and Control Agreement and any accounts control agreement, UCC-1 financing statement or other document or instrument executed in connection therewith.

Share Capital means, as to any Person (other than a natural Person), all shares of capital stock of any class or other ownership interests of any kind, however called, in such Person, and any and all warrants, options or other rights to purchase any of the foregoing.

Short-term Debt means, as of any relevant determination date, the aggregate of all Debt that falls due, or the final payment of which is due, within one (1) year after the date of the respective agreements providing for such Debt.

Spread means three and one half of one percent (3.50%) per annum.

Subsidiary means with respect to any Person, any entity:

- (a) over fifty percent (50%) of whose Share Capital is owned, directly or indirectly, by that Person;
- (b) for which that Person may nominate or appoint a majority of the members of the board of directors or such other body performing similar functions; or
- (c) which is otherwise effectively Controlled by that Person.

Subsidy Amount means, for each calendar year and as of any calculation date:

- (a) as of January 1, 2011, any Long-term Subsidy Amount expressly allocated to the Project for such calendar year pursuant to the Subsidy Law or any law in effect as of such calculation date, including Long-term Subsidy Amounts specifically allocated to the Project pursuant to the Chilean Budgetary Law; and
- (b) prior to January 1, 2011, any subsidy amount expressly allocated to the Project pursuant to a Subsidy Law or any law in effect as of such calculation date, including pursuant to the Chilean Budgetary Law.

Subsidy Law means (i) any law in effect from time to time expressly allocating a Subsidy Amount to the Project. or (ii) in cases that are, as determined by MTT to the satisfaction of IDB, exceptional and justified, any *proyecto de ley* expressly allocating a Subsidy Amount to the Project.

Sustainability Index means the ratio obtained on the last day of each Financial Quarter or on any Relevant Date, as applicable, by dividing:

- (a) the aggregate sum (without duplication) of (A) the Project's projected Net Operating Cashflows, (B) the Allocated Quarterly Subsidy Amounts, and (C) the principal amount of any committed and available Debt (less related fees, expenses and reserves) which otherwise complies with the requirements of Section 6.2.1.4, in each case for the four Financial Quarters immediately succeeding such day; provided however that, to the extent such calculation is made on any Relevant Date, the items set forth in sub-clauses (A), (B) and (C) above shall be calculated for the period of twelve (12) months commencing on the day immediately following such Relevant Date; by
- (b) the aggregate (without duplication) of (A) the Borrower's aggregate projected Debt Service, and (B) the projected amount required to be deposited in the DSRA, if any, to meet the Debt Service Reserve Requirement, in each case for the four Financial Quarters immediately succeeding such day; provided however that, to the extent such calculation is made on any Relevant Date, the items set forth in sub-clauses (A) and (B) above shall be calculated for the period of twelve (12) months commencing on the day immediately following such Relevant Date.

Tax Returns means all returns, declarations, reports, estimates, information returns, statements and other documents of, relating to, or required to be filed with any Authority in respect of Taxes.

Taxes means all present and future taxes, charges, fees, duties, withholding obligations or other assessments of whatsoever nature levied by any Authority, together with any interest, penalties, additions to tax or other liabilities imposed thereon by any Authority.

Technical Consultant means each of *Logit Engenharia Constructiva Ltda.* and *Logitrans Logistica Engenharia e Transportes Ltda.*, or any other Person appointed by IDB to act as the technical consultant to IDB for purposes of this Agreement to be retained from time to time by IDB as it considers necessary to advise IDB on traffic, technical and financial matters relating to the Project including but not limited to review of the Annual Budget and the calculation of the Sustainability Index during 2008.

Transaction Documents means the Project Documents and the Financing Documents.

Transaction Taxes has the meaning assigned to that term in Section 3.13.2 (*Taxes*).

Transfer Date has the meaning ascribed thereto in Section 2.3.3 (*Transfers from (CER) Borrower Account*) of Schedule 1 (*Project Accounts and Daily Provision Mechanism*).

Transfer Period means each period starting on the day immediately succeeding a Transfer Date and ending on, and including, the immediately succeeding Transfer Date.

Section 1.2 Interpretation.

In this Agreement, unless the context otherwise requires:

1.2.1 headings and the rendering of text in bold and italics are for convenience only and do not affect the interpretation of this Agreement;

1.2.2 words importing the singular include the plural and *vice versa* and the masculine, feminine and neuter genders include all genders;

1.2.3 the words "hereof", "herein", and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

1.2.4 a reference to a Section, paragraph, party, Exhibit or Schedule is a reference to that Section or paragraph of, or that party, Exhibit or Schedule to, this Agreement unless otherwise specified;

1.2.5 a reference to this Agreement or any other Financing Document shall mean such document including any amendment or supplement to, or replacement, novation or modification of, that document but disregarding any amendment, supplement, replacement, novation or modification made in breach of this Agreement or such Financing Document;

1.2.6 a reference to a Person (including, for the avoidance of doubt, any references to the Borrower, the Administrator, AFT and the Manager) includes that Person's successors and permitted assigns;

1.2.7 all terms defined in this Agreement shall have the meanings ascribed thereto in Section 1.1 (*Definitions*) when used in any certificate or other document made or delivered pursuant hereto;

1.2.8 the term "including" means "including without limitation" and any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;

1.2.9 phrases such as "satisfactory to IDB", "approved by IDB", "acceptable to IDB", "as determined by IDB", "in IDB's discretion", and phrases of similar import authorize and permit IDB to approve, disapprove, determine, act or decline to act in its sole discretion, unless such phrase is expressly qualified as to reasonableness, materiality, consultation with the Borrower or otherwise;

1.2.10 references to any statute, code or statutory provision are to be construed as a reference to the same as it may from time to time be amended, modified or re-enacted, and include references to all bylaws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom unless the context otherwise requires;

1.2.11 for purposes of this Agreement, any term that is used in this Agreement and is defined by reference to any Financing Document shall continue to have the original definition notwithstanding any termination, expiration or modification of any such Financing Document, except to the extent the parties hereto may otherwise agree;

1.2.12 all determinations as to whether a Material Adverse Effect has occurred, or could be expected to occur, shall be reasonably made by IDB, except that in respect of a representation or warranty of the Borrower regarding a Material Adverse Effect, the determination as to whether a Material Adverse Effect has occurred or could be expected to occur shall be made reasonably by the Borrower; and

1.2.13 references to "knowledge", "know" and "known" shall mean actual knowledge without any investigation or inquiry.

Section 1.3 Business Day Adjustment.

Except as otherwise expressly provided herein, where the day on or by which a payment is due to be made is not a Business Day, that payment shall be made on or by the next succeeding Business Day. Interest, fees and charges (if any) thereon shall continue to accrue for the period from the due date that is not a Business Day to that next succeeding Business Day.

Section 1.4 Conflicts.

In the case of any conflict between the terms and conditions of this Agreement and the terms and conditions of any other Financing Document, the terms and conditions of this Agreement shall prevail.

Section 1.5 Financial Calculations.

1.5.1 All financial calculations to be made under, or for the purposes of, this Agreement and any other Financing Document or in any certificate or other document made or delivered pursuant hereto or thereto shall be determined in accordance with the Accounting Principles.

1.5.2 Where quarterly Financial Statements are used for the purpose of making financial calculations and those statements are with respect to the last Financial Quarter of any fiscal year of the Borrower, then, at IDB's option, those calculations may instead be made from the audited Financial Statements prepared in accordance with the Accounting Principles for the relevant Financial Year.

1.5.3 If any material adverse change in the financial condition of the Borrower has occurred after the end of the period covered by the Financial Statements used to make the relevant financial calculations, that material adverse change shall also be taken into account in calculating the relevant figures.

ARTICLE 2

PURPOSE OF THE LOAN

Section 2.1 The Project.

The Loan is to be made in accordance with the terms of this Agreement for the purpose of funding the operating expenses of the Project.

ARTICLE 3

AGREEMENT FOR THE LOAN

Part 1: The Loan

Section 3.1 The Loan Amount.

3.1.1 Subject to the terms and conditions of this Agreement, IDB shall lend to the Borrower, and the Borrower shall borrow from IDB, a loan in an aggregate principal amount of up to four hundred million Dollars (\$400,000,000).

Section 3.2 Disbursement Procedure.

3.2.1 Subject to the satisfaction of the conditions set forth in Article 5, the Borrower may request Disbursements by delivering to IDB, at least three (3) Business Days prior to the proposed First Disbursement Date, and at least 5 (five) Business Days prior to each other proposed Disbursement Date, a Disbursement Request and a receipt substantially in the form of Exhibit 2 (*Form of Disbursement Receipt*).

3.2.2 Each Disbursement of the Loan shall be made in Dollars at a bank in the City of New York, New York for further credit to Banking Account #6 Dollar Account in Santiago de Chile in immediately available funds.

3.2.3 The Borrower shall not request more than one (1) Disbursement of the Loan per month and the maximum number of Disbursements shall not exceed twelve (12). Each Disbursement of the Loan (except the last Disbursement) shall be made in an amount of not less than five million Dollars (\$5,000,000).

3.2.4 A Disbursement Request shall be irrevocable.

3.2.5 The Borrower shall not be entitled to make any Disbursement Requests after the Commitment Termination Date.

Section 3.3 Repayment.

3.3.1 The Borrower shall repay the Loan, in one hundred and fifty six (156) approximately equal monthly instalments of principal on each Loan Repayment Date, in accordance with the repayment schedule set forth on Schedule 8 (*Loan Repayment Schedule*); *provided*, that the entire outstanding principal amount of the Loan shall be due and payable on the Final Maturity Date.

3.3.2 Principal amounts repaid pursuant to this Section 3.3 (*Repayment*) may not be reborrowed.

Section 3.4 IDB's Determination Final.

IDB's internal records regarding payments made on account of the Obligations shall be final and conclusive and bind the Borrower unless the Borrower proves that the determination involved manifest error; *provided*, that the failure of IDB to maintain such accounts or any error therein shall not in any manner reduce or limit the obligation of the Borrower to repay the Loan in accordance with the terms of this Agreement.

Section 3.5 Voluntary Prepayments.

3.5.1 The Borrower may prepay all or any portion of the Loan, on any Interest Payment Date (subject to Section 3.18 (*Increased Costs*)), on not less than thirty (30) days' prior notice to IDB, but only if:

3.5.1.1 the Borrower concurrently pays (a) all accrued interest on the Loan; (b) all accrued Increased Costs (if any) on the Loan; (c) the amount payable (if any) in respect of such prepayment pursuant to Section 3.14.1.2 (*Costs, Expenses and Losses*); (d) the amount payable (if any) in respect of such prepayment pursuant to Section 3.5.2 below; and (e) all other Obligations then due and payable;

3.5.1.2 for a partial prepayment of the Loan, the principal amount of the Loan prepaid is an amount not less than ten million Dollars (\$10,000,000); and

3.5.1.3 upon request by IDB, the Borrower delivers to IDB, prior to the date of prepayment, evidence satisfactory to IDB that any Authorizations necessary with respect to the prepayment have been obtained.

3.5.2 A prepayment notice is irrevocable. Upon delivery of a prepayment notice in accordance with Section 3.5.1, the Borrower shall be obligated to make the prepayment in accordance with the terms of that notice and the amount stated to be prepaid shall become due and payable on the Interest Payment Date specified for such prepayment.

3.5.3 If required by IDB in accordance with Section 6.2.8 (*Prepayment*), the Borrower shall, simultaneously with the prepayment of any Long-term Debt other than:

3.5.3.1 the Loan; and

3.5.3.2 Long-term Debt that is refinanced with the proceeds of new Long-term Debt on equivalent or more favorable terms to the Borrower,

prepay a proportionate amount of the Loan along with all other amounts payable in respect thereof under Sections 3.5.1.1 and 3.5.2 (calculated as if such prepayment were voluntarily made by the Borrower hereunder).

Section 3.6 INTENTIONALLY OMITTED

Section 3.7 Application of Prepayments.

3.7.1 Amounts of principal prepaid under Section 3.5 (*Voluntary Prepayments*) or Section 6.2.8 (*Prepayment*) shall be applied to the remaining repayment installments of the Loan in inverse order of maturity.

3.7.2 Any principal amount of the Loan prepaid under Section 3.5 (*Voluntary Prepayments*) or Section 6.2.8 (*Prepayment*) may not be reborrowed.

Section 3.8 Charges and Fees.

The Borrower shall pay to IDB the following fees:

3.8.1 a front-end fee of an amount that is equal to one percent (1%) of the amount of the Loan payable on the First Disbursement Date.

3.8.2 a commitment fee (the *Commitment Fee*) at the rate of one quarter of one percent (0.25%) per annum of the undisbursed and uncanceled portion of the Loan. The Commitment Fee shall:

3.8.2.1 begin to accrue in respect of the Loan on the earlier of (a) fifteen (15) Business Days after the Effective Date and (b) the First Disbursement Date;

3.8.2.2 be calculated on the basis of a 360-day year for the actual number of days elapsed; and

3.8.2.3 be payable in arrears on each Interest Payment Date and on the Commitment Termination Date, the first such payment to be due on the first Interest Payment Date occurring after the date on which the Commitment Fee begins to accrue pursuant to Section 3.8.2.1;

3.8.3 a loan analysis fee of \$100,000 payable on the First Disbursement Date (to the extent not previously paid); and

3.8.4 an annual administration fee of ten thousand Dollars (\$10,000) per annum, payable on the First Disbursement Date and on the Interest Payment Date immediately succeeding each anniversary of the First Disbursement Date.

Section 3.9 Currency and Place of Payment.

Payments of all Obligations due to IDB shall be made in Dollars, in immediately available funds, to the Deutsche Bank Trust Co. Americas, Church Street Station, Attention MT-Foreign Section, New York, New York 10015, Account No. 04025213 (ABA # 021001033) Swift BKTRUS33XXX, no later than 11:00 a.m. New York City time, or at such other bank or banks, in such place or places, as IDB shall from time to time designate.

Section 3.10 Judgment Currency

3.10.1 The payment obligations of the Borrower under this Agreement shall not be discharged by an amount paid in a currency or place other than as set forth in Section 3.9 (*Currency and Place of Payment*), whether pursuant to a judgment or otherwise, to the extent that the amount so paid on conversion to Dollars and transfer to the account set forth in Section 3.9 (*Currency and Place of Payment*) under normal banking procedures does not yield the amount of Dollars due hereunder. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency (the *Second Currency*), the rate of exchange which shall be applied shall be that at which in accordance with normal banking procedures IDB could purchase Dollars with the Second Currency on the Business Day next preceding the date on which such judgment is rendered. Notwithstanding the rate of exchange actually applied in rendering such judgment, the Borrower shall, as a separate obligation, pay to IDB on demand in Dollars, such additional amount as is necessary to enable IDB to receive, after conversion of the amount received in the Second Currency to Dollars and transfer to the account set forth in Section 3.9 (*Currency and Place of Payment*) in accordance with normal banking procedures, the full amount due to IDB under this Agreement.

3.10.2 Notwithstanding the terms of Section 3.10.1, IDB may require the Borrower to pay (or reimburse IDB) in any currency other than Dollars for:

3.10.2.1 any Taxes and other amounts payable under Section 3.13 (*Taxes*); and

3.10.2.2 any fees, costs and expenses payable under Section 3.8 (*Charges and Fees*) or Section 3.14 (*Costs, Expenses and Losses*); and

in each case to the extent such amounts are payable in such other currency.

Section 3.11 Allocation of Partial Payments.

If IDB at any time receives less than the full amount then due and payable to it in respect of the Obligations, IDB shall have the right (as between IDB and the Borrower) to allocate and apply such payment in any way or manner and for such purpose or purposes under this Agreement or any other Financing Document as IDB in its discretion determines, notwithstanding any instruction that the Borrower may give to the contrary.

Section 3.12 Late Charges.

3.12.1 Without limiting the remedies available to IDB under this Agreement, any other Financing Document or otherwise, if the Borrower fails to make any payment of any Obligations (including interest payable pursuant to this Section) when due hereunder (whether at stated maturity or upon acceleration), the Borrower shall pay interest on the amount of that payment due and unpaid at the rate that shall be the sum of two percent (2.00%) per annum plus the then applicable Interest Rate in effect from time to time.

3.12.2 Interest at the rates referred to in Sections 3.12.1 shall accrue from the date the payment was due until the date on which such payment is made in full but excluding the date on which IDB actually receives the payment (as well after as before judgment), and shall be payable on demand, or, if not demanded, on each Interest Payment Date falling after any such overdue amount became due.

Section 3.13 Taxes.

3.13.1 The Borrower acknowledges that under the Agreement Establishing the Inter-American Development Bank dated December 30, 1959, and in Supreme Decree N° 266, of the Chilean Foreign Affairs Ministry, published in the Chilean Official Gazette on April 30, 1970, IDB and its Property, income and transactions are immune from all Taxes imposed by IDB Members.

3.13.2 Notwithstanding the foregoing, the Borrower shall pay or cause to be paid all Taxes and other liabilities of whatsoever nature (other than any Taxes imposed on or measured by net income) imposed on or in connection with the entering into the Financing Documents or the payment of any Obligation by any Authority of Chile or any Authority of any other jurisdiction from or through which any such payment is made (all such Taxes and liabilities, collectively, *Transaction Taxes*).

3.13.3 All payments by the Borrower under this Agreement or under any other Financing Document shall be made free and clear of and without deduction or withholding for or on account of any Transaction Taxes. If the Borrower is required by applicable law or otherwise to deduct or withhold any Transaction Taxes from any such payment (a) the amount payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional amounts payable under this Section) IDB receives the full amount it would have received had no such deduction or withholding been required, and (b) the Borrower shall make such

deduction or withholding and shall pay the full amount deducted or withheld to the relevant Authority in accordance with applicable law.

3.13.4 The Borrower shall pay any stamp, recording, documentary or similar taxes and all other charges or levies payable on or in connection with the execution, delivery, registration, consularization, translation, notarization or enforcement of this Agreement, the Notes and the other Financing Documents (collectively, **Other Taxes**), if any.

3.13.5 The Borrower shall indemnify IDB for the full amount of Transaction Taxes and Other Taxes arising in connection with payments made under any Financing Document (including any Transaction Taxes or Other Taxes imposed by any Authority on amounts payable under this Section 3.13) and paid by IDB and any liability (including penalties, additions to tax, interest and expenses) arising therefrom or with respect thereto. Payment under this indemnity shall be made within ten (10) days from the date IDB makes written demand therefor.

3.13.6 The Borrower shall furnish to IDB, within thirty (30) days after the date the payment of any Transaction Taxes or Other Taxes is due, certified copies of receipts evidencing such payment by the Borrower or, if such receipts are not obtainable, other evidence of such payments by the Borrower satisfactory to IDB.

Section 3.14 Costs, Expenses and Losses.

3.14.1 If IDB incurs cost, expense or loss as a result of the Borrower:

3.14.1.1 failing to (a) pay any Obligations on the due date therefor; (b) borrow in accordance with any Disbursement Request; (c) make any prepayment in accordance with a notice of prepayment pursuant to Section 3.5 (*Voluntary Prepayments*) or (d) make any repayment or prepayment required pursuant to Section 3.3 (*Repayments*), Section 3.19 (*Illegality*) or Section 6.2.8 (*Prepayment*), as the case may be;

3.14.1.2 pursuant to the terms of this Agreement (a) prepaying all or any portion of the Loan on a date other than an Interest Prepayment Date; (b) converting all or any portion of the Loan into a fixed rate; (c) cancelling all or any portion of the Loan, or (d) not borrowing all or any portion of the Loan;

then the Borrower shall immediately pay, in Dollars, to IDB, the amount that IDB shall notify to the Borrower from time to time as being the aggregate of such actual costs, expenses and losses.

3.14.2 For the purposes of this Section 3.14, "costs, expenses or losses" include any interest paid or payable to cover any unpaid amount, any "broken funding" or hedge liquidation costs and any loss, premium, penalty or expense that may be incurred in liquidating or employing deposits of or borrowings from third parties in order to make, maintain or fund all or any part of the Loan (in the case of a late payment, after taking into account any late payment interest received by IDB under Section 3.12 (*Late Charges*)).

3.14.3 In the case of the Borrower's prepayment of any part of the Loan on a date other than an Interest Prepayment Date, cancelling all or any portion of the Loan, or not borrowing all or any portion of the Loan, the "costs, expenses or losses" incurred by IDB shall include, and the Borrower shall pay to IDB, in addition to any other amounts payable by the Borrower under the preceding clause, the amount determined by IDB to be equal to the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of the Loan, had such prepayment not occurred, at the rate of interest then in effect under Section 3.21 (*Interest Rate*) for the remainder of the Interest Period during which the relevant repayment is made over (ii) the amount of interest that IDB would earn on such principal amount prepaid for the remainder of such Interest Period if such principal amount were invested for such remaining period at the interest rate that would be bid to IDB from banks in the London interbank market at the time prepayment occurs.

Section 3.15 Suspension or Cancellation by IDB.

3.15.1 IDB may, by notice to the Borrower, suspend the right of the Borrower to request Disbursements or cancel all or any portion of the undisbursed balance of the Loan if:

- 3.15.1.1 the first Disbursement has not been made by on or prior to the Commitment Termination Date;
- 3.15.1.2 any Event of Default has occurred and is continuing;
- 3.15.1.3 the Disbursement Request for the final Disbursement has not been made at least fifteen (15) days prior to the Commitment Termination Date; or
- 3.15.1.4 Chile ceases to be an IDB Member.

3.15.2 Upon the giving of such notice, the right of the Borrower to request any further Disbursements shall be suspended (for such period and on such conditions as determined by IDB in its discretion) or cancelled, as the case may be. The exercise by IDB of its right of suspension shall not preclude IDB from exercising its right of cancellation, either for the same or any other reason, and shall not limit any other rights of IDB under any other provision of this Agreement or any of the other Financing Documents.

Section 3.16 Cancellation by the Borrower.

3.16.1 The Borrower may, by notice to IDB, irrevocably request IDB to cancel the undisbursed portion of the Loan effective as of the date specified in such notice (which shall be a date not earlier than fifteen (15) Business Days after the date of that notice);

3.16.2 IDB shall, by notice to the Borrower, cancel the undisbursed portion of the Loan effective as of such specified date if IDB has received payment of all fees and other Obligations (other than principal of and interest on the Loan) accrued (whether or not then due and payable) up to such specified date.

Section 3.17 Terms and Conditions Applicable to Cancellation or Suspension.

3.17.1 Upon any cancellation, the Borrower shall, subject to Section 3.17.3, pay to IDB all fees and other Obligations (other than principal of and interest on the Loan) accrued (whether or not then due and payable) up to the date of any such cancellation, including any amounts owed pursuant to Section 3.14 (*Costs, Expenses and Losses*).

3.17.2 The Commitment Fee applicable to any undisbursed and uncanceled portion of the Loan shall continue to accrue and be payable during any suspension of IDB's obligation to make Disbursements pursuant to Section 3.15 (*Suspension or Cancellation by IDB*), but shall cease to accrue after cancellation pursuant to Section 3.16 (*Cancellation by the Borrower*).

3.17.3 The undisbursed portion of the Loan shall be automatically reduced by the portion of the Loan cancelled under Section 3.15 (*Suspension or Cancellation by IDB*) or Section 3.16 (*Cancellation by the Borrower*).

Section 3.18 Increased Costs.

3.18.1 On each Interest Payment Date the Borrower shall pay, in addition to interest and principal, if applicable, on the Loan, the amount that IDB from time to time notifies to the Borrower in an Increased Costs Certificate as being the aggregate Increased Costs of IDB accrued and unpaid prior to such Interest Payment Date.

3.18.2 If the Borrower is required to pay any Increased Costs pursuant to Section 3.18.1, it may prepay, in whole, but not in part, that part of the Loan with respect to which the Increased Costs are incurred. Such prepayment shall be made in accordance with Section 3.5 (*Voluntary Prepayment*) except that provisions with respect to the timing of any prepayment set forth in Section 3.5.1.1 and the minimum prepayment amount set forth in Section 3.5.1.2 shall not apply.

Section 3.19 Illegality.

Notwithstanding anything to the contrary contained in this Agreement, if, after the Effective Date, any change made in any applicable law or the interpretation or application thereof by any Authority, including any adverse ruling in any judicial proceeding (a **Relevant Change**) makes it unlawful for IDB to continue to maintain or to fund the Loan or any portion thereof:

3.19.1 the Borrower shall, upon request by IDB (but subject to any applicable Authorization having been obtained), immediately prepay in full that portion of the Loan that IDB advises is so affected;

3.19.2 concurrently with a prepayment pursuant to Section 3.19.1, the Borrower shall pay (a) all accrued interest on that portion of the Loan being prepaid; (b) all accrued Increased Costs (if any) on that portion of the Loan being prepaid; (c) the amount payable (if any) in respect of such prepayment pursuant to Sections 3.13 (*Taxes*) and 3.14.1.2; and (d) all other Obligations then due and payable;

3.19.3 the Borrower shall take all reasonable steps to obtain, as quickly as possible after receipt of IDB's request for prepayment, the Authorizations referred to in Section 3.19.1 if any such Authorizations are then required; and

3.19.4 the Borrower's right to request Disbursement of the undisbursed portion of the Loan affected by the Relevant Change shall terminate upon the Borrower's receipt of IDB's request for prepayment under this Section 3.19.

Section 3.20 Reimbursement of Expenses.

The Borrower shall pay to IDB, or as IDB may direct:

3.20.1 the reasonable fees and expenses of IDB (including the reasonable fees and expenses of IDB's counsel and the Consultants) in Chile and in the United States of America incurred in connection with:

3.20.1.1 the preparation for the Loan, including any due diligence, subject to the terms of the Legal Retainer Agreements;

3.20.1.2 the preparation, review, negotiation, execution, implementation and, where appropriate, translation, registration and notarization of the Financing Documents and any other documents relating to them, subject to the terms of the Legal Retainer Agreements;

3.20.1.3 the giving of any legal opinions IDB requires under this Agreement and any other Financing Document, subject to the terms of the Legal Retainer Agreements;

3.20.1.4 IDB's administration of the Loan or in connection with any amendment, supplement or modification to, or waiver under, any of the Financing Documents;

3.20.1.5 if applicable, the registration (where appropriate) and the delivery of the evidences of indebtedness relating to the Loan and its disbursement; and

3.20.1.6 the appointment of, and the services provided by, the Consultants.

3.20.2 the reasonable out-of-pocket expenses (including reasonable travel and subsistence expenses), incurred by IDB in relation to its Loan supervision review, including the supervision of compliance with Environmental and Social Provisions, payable upon receipt of a statement of those expenses from IDB; and

3.20.3 the costs and expenses incurred by IDB in relation to the occurrence of any Default or efforts to preserve, enforce, exercise or protect its rights under any Financing Document, including with respect to IDB's rights under this Section 3.20 (*Reimbursement of Expenses*) and any corresponding terms in any of the other Financing Documents, or the exercise of its rights or

powers consequent upon or arising out of the occurrence of any Default, including legal and other professional consultants' fees.

Part 2: Interest Rate Terms and Conditions

Section 3.21 Interest Rate

Subject to Section 3.12 (*Late Charges*), the Borrower shall pay interest on the principal amount of the Loan outstanding from time to time in accordance with this Section 3.21 (*Interest Rate*).

3.21.1 Interest on the Loan shall accrue from day to day for any Interest Period from and including the first day of such Interest Period to, but excluding, the last day of such Interest Period computed on the basis of actual number of days elapsed in such Interest Period and a year of three hundred and sixty (360) days and be payable in arrears on the Interest Payment Date falling at the end of that Interest Period; provided that with respect to any Disbursement made less than ten (10) days before an Interest Payment Date, interest on that Disbursement shall be payable commencing on the second Interest Payment Date following the date of that Disbursement.

3.21.2 During each Interest Period, the Loan (or, with respect to the first Interest Period for each Disbursement, the amount of that Disbursement) shall bear interest at the Interest Rate for that Interest Period.

3.21.3 The Interest Rate for any Interest Period shall be the rate that is the sum of the prevailing one-month LIBOR plus the Spread.

3.21.4 On each Interest Rate Determination Date, IDB shall determine the Interest Rate applicable to the relevant Interest Period and promptly notify the Borrower of such rate.

3.21.5 IDB's determination, from time to time, of the Interest Rate shall be final and conclusive and shall bind the Borrower unless the Borrower proves that the determination involved manifest error.

Part 3: Promissory Notes

Section 3.22 Notes.

To further evidence its obligation to repay the Loan, with interest accrued thereon, at the request of IDB, the Borrower shall issue and deliver to IDB, on or prior to each Disbursement Date promissory notes substantially in the form of Exhibit 10 (*Form of Promissory Note*) (collectively, the *Notes*) in respect of each Disbursement. The Notes shall be valid and enforceable as to their principal amount to the extent of the aggregate amounts disbursed and then outstanding hereunder and, as to interest, to the extent of the interest accrued thereon in accordance with the terms of this Agreement. At IDB's request, the Borrower shall promptly execute and deliver new Notes satisfactory to IDB to substitute for the Notes previously delivered to IDB.

Section 3.23 Payments under Notes and Loan.

The issuance, execution and delivery of any Note pursuant to this Agreement shall not be or be construed as a novation with respect to this Agreement or any other agreement between IDB and the Borrower and shall not limit, reduce or otherwise affect the obligations or rights of the Borrower under this Agreement, and the rights and claims of IDB under any Note shall not replace or supercede the rights and claims of IDB under this Agreement, all subject to the remaining provisions of this Section 3.23 (*Payments Under Notes and Loan*).

3.23.1 Payment of the principal amount of any Note shall *pro tanto* discharge the obligation of the Borrower to repay that portion of the Loan to which such Note relates; and payment of interest accrued on any Note shall *pro tanto* discharge the obligation of the Borrower to pay such amount of interest on that portion of the Loan to which such Note relates.

3.23.2 Payment of the principal amount of the Loan shall *pro tanto* discharge the obligation of the Borrower to repay the principal amount of the Note or Notes relating to that portion of Loan; and payment of interest accrued on the Loan shall *pro tanto* discharge the obligation of the Borrower to pay such amount of interest in respect of the Note or Notes relating to the Loan to which such interest relates.

3.23.3 The Borrower shall indemnify and hold harmless IDB and its agents, employees, directors, successors and assigns from and against any claim, damage, charge, proceeding, liability, costs and expenses made, filed, asserted or collected from any of them as a result of, or in connection with, the issuance, execution, delivery, or enforcement of any Note issued pursuant to this Section.

Part 4: Daily Provisions.

Section 3.24 Daily Provisions.

For the purposes of the repayment of the Loan, the payment of the applicable fees and expenses, and the fund provisions to establish the DSRA and to fill up the DSRA's shortfalls, the Borrower or the Administrator, as applicable, will comply with the procedures, and make the applicable transfers and payments required under, Schedule 1 (*Project Accounts and Daily Provision Mechanism*).

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

Section 4.1 Borrower's Representations and Warranties.

The Borrower represents and warrants as of the Effective Date and on each Disbursement Date that:

4.1.1 *Organization; Powers.*

4.1.1.1 The Borrower is an autonomous legal patrimony, duly established and validly existing under the laws of Chile. The nature of the Borrower is private. The

Borrower is neither a public entity nor part of the Chilean state or the public sector.

4.1.1.2 The Borrower has all requisite power and authority to own its Property, conduct its business as presently conducted and to enter into, and comply with its obligations under, this Agreement and the other Financing Documents to which it is a party, or will, in the case of any Financing Document not executed as at the Effective Date to which the Borrower shall be a party, when that Financing Document is executed, have the requisite power and authority to enter into, and comply with its obligations under, that Financing Document.

4.1.2 *Enforceability.*

4.1.2.1 Each Financing Document to which the Borrower is party to has been, and in the case of any Financing Document not executed as at the Effective Date to which the Borrower shall be a party, will be, duly authorized and executed by the Borrower, and constitutes, or will constitute when entered into or issued (as applicable), a valid and legally binding obligation of the Borrower, enforceable in accordance with its terms, except that such enforcement may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization or other similar applicable laws relating to or limiting creditor's rights generally, or by general equitable principles. No approval from the Chilean Congress is required for the Borrower's execution of this Agreement and the other Financing Documents to which it is a party.

4.1.2.2 The Notes, when issued, will constitute *títulos ejecutivos*.

4.1.3 *No Violation.* Neither the execution and delivery by the Borrower of any Financing Document to which it is a party nor (when all the Relevant Permits referred to in Section 4.1.4 (*Relevant Permits*) have been obtained) the compliance by the Borrower with its terms will:

4.1.3.1 contravene any judgment, decree, order, law, rule, regulation or Authorization applicable to the Borrower;

4.1.3.2 contravene or result in any breach of any of the terms of, or constitute a default or require any consent under the terms of, any indenture, mortgage, deed of trust, agreement or other arrangement to which the Borrower is a party;

4.1.3.3 result in the creation or imposition of (or the obligation to create or impose) any Lien (other than Permitted Liens) upon any of the Borrower's Property; or

4.1.3.4 violate the terms of the Borrower's Organizational Documents.

4.1.4 *Relevant Permits.*

- 4.1.4.1 Schedule 3 (*Relevant Permits*) specifies all Relevant Permits applicable to the Borrower other than Authorizations that are of a routine nature and obtainable in the ordinary course of business.
- 4.1.4.2 Each Relevant Permit applicable to the Borrower and required as of the date hereof is set forth in Section 1 of Schedule 3 (*Relevant Permits*) and each such Relevant Permit has been validly issued and obtained and is in full force and effect.
- 4.1.4.3 Other than as set forth on Schedule 6 (*Existing Proceedings*), none of such Relevant Permits applicable to the Borrower is the subject of an appeal or judicial or other review by any Authority.
- 4.1.4.4 All conditions (if any) to the effectiveness of each such Relevant Permit applicable to the Borrower have been fully satisfied.
- 4.1.4.5 The Borrower is in compliance in all material respects with each such Relevant Permit that is applicable to the Borrower.
- 4.1.4.6 The Borrower has applied (or is making arrangements to apply) for all Relevant Permits applicable to the Borrower and set forth in Section 2 of Schedule 3 (*Relevant Permits*), and has no reason to believe that it will not obtain in a timely manner and maintain in full force and effect each such Relevant Permit applicable to the Borrower.
- 4.1.4.7 The Borrower has no reason to believe that any Relevant Permit applicable to the Borrower that requires renewal will not be renewed as and when required under applicable law without the imposition of additional restrictions or conditions or any Relevant Permit applicable to the Borrower will be withdrawn, suspended, cancelled, varied, surrendered or revoked.

4.1.5 *Compliance with Applicable Laws.* The Borrower is in compliance in all material respects with all laws, rules and regulations applicable to it and all agreements to which it is a party.

4.1.6 *No Default.* No Default that is attributable to any of the representations and warranties or covenants of the Borrower hereunder has occurred and is continuing and, to the Borrower's knowledge, no other Default has occurred and is continuing.

4.1.7 *Litigation.*

- 4.1.7.1 Except as set forth on Schedule 6 (*Existing Proceedings*), no action, suit, other legal proceeding, arbitral proceeding, administrative proceeding, investigation or other claim before or of any Authority is presently in progress or pending against or with respect, directly or indirectly, to the Borrower or, to the Borrower's knowledge, any other Material Project Party, which either:

4.1.7.1.1 relates to or arises under a Financing Document or the transactions contemplated thereby; or

4.1.7.1.2 by itself or together with any other such proceeding or claim, has had or could reasonably be expected to have a Material Adverse Effect;

and, to the Borrower's knowledge, no such action, suit, legal proceeding, arbitral proceeding, administrative proceeding, investigation or claim has been threatened in writing against the Borrower or any other Material Project Party.

4.1.7.2 No judgment, order or award has been issued against the Borrower, or to the Borrower's knowledge against any other Material Project Party that has had or could reasonably be expected to have a Material Adverse Effect.

4.1.8 *Payment of Taxes.*

4.1.8.1 The Borrower has filed timely or caused to be filed timely all Tax Returns required to be filed by it and has paid or caused to be paid all Taxes due and payable by it whether shown to be due and payable on such Tax Returns or on any assessment received by it or otherwise, except to the extent any such Taxes are being diligently contested by appropriate proceedings or other actions in good faith and with respect to which adequate reserves have been established on the books of the Borrower, in accordance with the Accounting Principles.

4.1.8.2 All Taxes required to be deducted or withheld from payments by the Borrower have been timely and duly deducted or withheld and properly paid to the appropriate Authority.

4.1.8.3 Except as otherwise disclosed in the Financial Statements referred to in Section 4.1.10 (*Financial Statements*), the Borrower has not received notice of any pending audits, examinations, investigations, proceedings or claims with respect to any Taxes nor to the Borrower's knowledge are any such actions threatened.

4.1.8.4 Except as otherwise disclosed in its Financial Statements, the Borrower has not received notice of any Lien with respect to Taxes that has been filed against any of the Borrower's Property, nor to the Borrower's knowledge has any such Lien been threatened.

4.1.9 *Applicable Taxes.*

4.1.9.1 According to the Agreement Establishing the Inter-American Development Bank dated December 30, 1959, and under the laws of Chile, neither the Borrower nor the Administrator is required to deduct or withhold Taxes from

any payment to be made by it under this Agreement or any other Financing Document.

4.1.9.2 No Taxes or Other Taxes are required to be paid on or in connection with the execution, delivery, registration, notarization or enforcement of this Agreement or any other Financing Document other than Other Taxes for which the Borrower is liable under Section 3.13 (*Taxes*).

4.1.9.3 Neither the execution, delivery, registration, notarization or enforcement of any Financing Document, nor the consummation of any of the transactions contemplated thereby, will result in any Tax (exclusive of Taxes on net income) being imposed by any Authority of Chile upon or with respect to IDB or any agent of IDB.

4.1.10 *Financial Statements.*

4.1.10.1 The Borrower's Financial Statements as at and for the annual period ending on December 31, 2007 and the quarterly period ending on March 31, 2008 already delivered to IDB were prepared in accordance with the Borrower's books and records and give a true and fair view of the financial position of the Borrower as of the dates thereof and the results of its operations and cash flow for the annual period or, as applicable, the quarterly period then ended, all in conformity with the Accounting Principles.

4.1.10.2 Except as disclosed on Schedule 5 (*Liabilities*), such Financial Statements disclose all liabilities (contingent or otherwise) of the Borrower, and the reserves therefor, as of the date thereof, if any, for such liabilities and all unrealized or anticipated liabilities or losses arising from commitments entered into by the Borrower (whether or not such commitments have been disclosed in such Financial Statements).

4.1.11 *No Material Adverse Effect.* Since January 1, 2008:

4.1.11.1 There has been no condition or event in respect of the Borrower that has had or could be reasonably expected to have a Material Adverse Effect; and

4.1.11.2 The Borrower has not undertaken or agreed to undertake any substantial obligation, other than obligations constituting Permitted Debt.

4.1.12 *Business of the Borrower.* The Borrower has not engaged or agreed to engage in any business other than the holding and distribution of certain Project revenues as described on Schedule 1 (*Project Accounts and Daily Provision Mechanism*) and other transactions contemplated or expressly permitted under the Financing Documents.

4.1.13 *Ownership of Property; Liens.* No Authority in or of Chile owns, in whole or in part, any of the Borrower's Property and the Borrower holds valid and exclusive legal title to all of its

Property free and clear of all Liens, and no contracts or arrangements, conditional or unconditional, exist for the creation by the Borrower of any Lien, except for Permitted Liens.

4.1.14 *Debt and Contractual Obligations.* The Borrower has no outstanding Debt, except for Debt permitted pursuant to Section 6.2.1 (*Permitted Indebtedness*). To the Borrower's knowledge, there are no other material agreements relating to the Project, other than the Transaction Documents. The Borrower has provided to IDB complete copies of all material agreements to which the Borrower is a party as of the date hereof. The Borrower has not executed or delivered any powers of attorney or similar documents that grant or purport to grant authority to another Person, except for the Manager, to manage or control the affairs of the Borrower or to undertake any obligation on its behalf.

4.1.15 *Provision of Information, etc.*

4.1.15.1 All information heretofore or hereafter furnished in writing by or on behalf of the Borrower to IDB (other than opinions, projections and other forward-looking statements) was on its date of issue and continues to be, or will be when furnished, as the case may be, true, complete and correct in all material respects and does not and will not contain any misstatements or omissions that would make it misleading in any material respect.

4.1.15.2 No event has occurred since the date of provision of such information to IDB that has rendered its contents materially untrue, inaccurate or incomplete.

4.1.16 *Immunity.* The execution and delivery by the Borrower of, and the compliance with its obligations under, this Agreement and the other Financing Documents to which it is a party constitute private and commercial acts of the Borrower rather than public or governmental acts. Neither the Borrower nor any of its Property has any immunity (sovereign or otherwise) from any legal action, suit or proceeding (whether service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) or from the jurisdiction of any court or from set-off.

4.1.17 *Legal Form; Enforceability.* This Agreement and the Financing Documents to which the Borrower is a party are in proper legal form under the law of Chile for the enforcement thereof against the Borrower under the laws of Chile; and to ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and such other Financing Documents in Chile (except for the official translation into Spanish of this Agreement or such other Financing Document by the Ministry of Foreign Affairs of Chile, if executed in a language other than Spanish), it is not necessary that either this Agreement, any other Financing Documents or any other document be filed or recorded with any court or other Authority in Chile or that any stamp or similar tax be paid on or in respect of this Agreement or the other Financing Document.

4.1.18 *Pari Passu.* Without prejudice to Section 6.2.1.4, the obligations of the Borrower under the Financing Documents are senior, unconditional, secured (to the extent purported in the Security Documents) and unsubordinated obligations and rank at least *pari passu* in priority of payment with

all other present and future unsecured and unsubordinated obligations of the Borrower (including the Government of Chile Loan), except for the Banco del Estado Loan.

4.1.19 *Availability and Transfer of Foreign Currency.* Except as noted in the list of Relevant Permits set forth on Schedule 3 (*Relevant Permits*) hereto (which permits have been obtained and are in full force and effect), no foreign exchange control approvals or other Authorizations are required to ensure the availability of Dollars to enable the Borrower to perform all of its obligations under each Financing Document to which it is a party in accordance with the terms thereof. There are no restrictions or requirements that limit the availability or transfer of Dollars in Chile other than as referred to in Section 6.1.8.2 (*Conditions of Business; Compliance with Applicable Law*) for the purpose of the performance by the Borrower of its respective obligations under this Agreement or any other Financing Document to which it is a party.

4.1.20 *Bankruptcy; Insolvency; Winding-up.* The Borrower has not taken any corporate action nor to the Borrower's knowledge have any other legal steps been taken or legal proceedings been commenced or threatened against the Borrower seeking a reorganization, moratorium, arrangement, adjustment or composition or for the appointment of a receiver, liquidator, assignee, sequestrator (or similar official) in relation to any part of its Property, or for the winding up, dissolution or re-organization of the Borrower or of any or all of the Property of the Borrower.

4.1.21 *Choice of Law; Consent to Jurisdiction.* Under the law of Chile, the choice of the law of New York to govern this Agreement and the other Financing Documents stated to be governed by such law and to which the Borrower is a party is valid and binding. The consent of the Borrower to the jurisdiction of the Supreme Court of the State of New York sitting in the Borough of Manhattan and the courts of the United States of America for the Southern District of New York by the Borrower in Section 8.10 (*Applicable Law and Jurisdiction*) is valid and binding and not subject to revocation, and service of process effected in the manner set forth in Section 8.10 (*Applicable Law and Jurisdiction*) will be effective to confer personal jurisdiction over the Borrower in such courts (subject in each case to the qualifications and exceptions set forth in the relevant opinions of counsel).

4.1.22 *Subsidiaries.* The Borrower does not have any Subsidiaries.

4.1.23 *Prohibited Practices.* Neither the Borrower nor any Person acting on its behalf has committed or engaged in any Prohibited Practice and, to the Borrower's knowledge, none of the Project Parties or any Person acting on their behalf has committed or engaged in any Prohibited Practice.

4.1.24 *Foreign Asset Control and Anti-money Laundering Regulations.* None of the Borrower's activities have, and none of the borrowing of the Loan by the Borrower hereunder and the Borrower's use of the proceeds thereof will, violate any of the Foreign Asset Control and Anti-Money Laundering Regulations.

4.1.25 *Expropriation; Control of Property; Interruption of Business.* No action has been taken by any Authority which condemns, nationalizes, seizes, confiscates or otherwise expropriates or

assumes control of all or any substantial part of the Property of the Borrower or commences any proceeding in furtherance of any of the foregoing;

4.1.25.1 assumes custody or control of the Property of the Borrower, the operations of the Borrower or for the privatization, dissolution or disestablishment of the Borrower, or that would prevent the Borrower from carrying on its operations or a substantial part thereof; or

4.1.25.2 takes any action to displace the management of the Borrower, to dissolve or disestablish the Borrower, or to prevent the Borrower or its officers from carrying on all or a substantial part of its operations

4.1.26 *The Subsidy Law.* A draft of the Subsidy Law has been submitted to the *Congreso Nacional de Chile* for approval.

4.1.27 *Request to Obtain Financing.* Pursuant to letters dated May 8 and May 15, 2008, the Bus Operators requested the Manager and the Administrator to cause the Borrower to obtain financing for the Project.

4.1.28 *No Omissions.* None of the representations and warranties in this Section 4.1 (*Borrower's Representations and Warranties*) omits any matter the omission of which makes any of such representations and warranties misleading in any material respect.

Section 4.2 Administrator's Representations and Warranties.

The Administrator represents and warrants, as of the Effective Date and on each Disbursement Date that:

4.2.1 *Organization; Powers.*

4.2.1.1 The Administrator is a *sociedad anónima*, duly organized and validly existing under the laws of Chile. The nature of the Administrator is private. The Administrator is not a public entity nor part of the Chilean state or the public sector.

4.2.1.2 The Administrator has all corporate power and authority to enter into, and comply with its obligations under this Agreement and the other Transaction Documents to which it is a party, or will, in the case of any Transaction Document not executed as at the Effective Date to which it shall become a party, when that Transaction Document is executed, have the requisite corporate power and authority to enter into, and comply with its obligations under, that Transaction Document.

4.2.1.3 The Administrator is duly authorized to act in its capacity as Administrator.

4.2.2 *Enforceability.* Each Transaction Document to which the Administrator is party to has been duly executed by the Administrator and constitutes a valid and legally binding obligation of the

Administrator enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization or other similar applicable laws relating to or limiting creditor's rights generally, or by general equitable principles.

4.2.3 *No Violation.* Neither the execution and delivery by the Administrator of any Transaction Document to which it is a party nor (when all the Relevant Permits referenced in Section 4.2 have been obtained) the compliance by the Administrator with its terms will:

4.2.3.1 contravene any judgment, decree, order or any Authorization existing as of the Effective Date applicable to the Administrator;

4.2.3.2 contravene or result in any breach of any of the terms of, or constitute a default or require any consent under the terms of, any indenture, mortgage, deed of trust, agreement or other arrangement to which the Administrator is a party;

4.2.3.3 violate the terms of the Administrator's Organizational Documents; or

4.2.3.4 violate any applicable law.

4.2.4 *Compliance with Applicable Laws.* The Administrator is in compliance in all material respects with all laws, rules and regulations applicable to it and all agreements to which it is a party.

4.2.5 *Liens/No Borrower Liability for the Administrator's Actions.*

4.2.5.1 There is no Lien on any of the Borrower's Property that is directly or indirectly attributable to the Administrator and no contract or arrangement, conditional or unconditional, exists for the creation by the Administrator of any such Lien; and

4.2.5.2 The assets of the Borrower and deposits in the Accounts from time to time are fully immune from any claims of creditors of the Administrator.

4.2.6 *Immunity.* The execution and delivery by the Administrator of, and the compliance with its obligations under, this Agreement and the other Transaction Documents to which it is a party constitute private and commercial acts of the Administrator rather than public or governmental acts. Neither the Administrator nor any of its Property has any immunity (sovereign or otherwise) from any legal action, suit or proceeding (whether service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) or from the jurisdiction of any court or from set off.

4.2.7 *Bankruptcy; Insolvency; Winding up.* The Administrator has not taken any corporate action nor have any other legal steps been taken or legal proceedings been commenced by it or, to the Administrator's knowledge, threatened against the Administrator seeking a reorganization, moratorium, arrangement, adjustment or composition or for the appointment of a receiver, liquidator, assignee, sequestrator (or similar official) in relation to any part of its Property, or for the winding up, dissolution or reorganization of the Administrator or of any or all of the Property of the Administrator.

4.2.8 *Prohibited Practices.* Neither the Administrator nor, to the Administrator's knowledge, any of the Project Parties or any Person acting on their behalf, have committed or engaged in any Prohibited Practice.

4.2.9 *Foreign Asset Control and Anti-money Laundering Regulations.* Neither the Administrator nor, to the Administrator's knowledge, the Project's activities, and none of the borrowing of the Loan by the Borrower hereunder and the Borrower's use of the proceeds thereof will, violate any of the Foreign Asset Control and Anti-Money Laundering Regulations.

4.2.10 *Financial Statements.* The Financial Statements of the Accounts as at and for the annual period ending on December 31, 2007 and the quarterly period ending on March 31, 2008 already delivered to IDB were prepared in accordance with the books and records of the Accounts and give a true and fair view of the financial position of the Accounts as of the dates thereof and the results of its operations and cash flow for the annual period or, as applicable, the quarterly period then ended, all in conformity with the Accounting Principles.

4.2.11 *Provision of Information, etc.* All information heretofore or hereafter furnished in writing, and prepared, by the Administrator to IDB (other than opinions, projections and other forward-looking statements) was on its date of issue and continues to be, or will be when furnished, as the case may be, true, complete and correct in all material respects and does not and will not contain any misstatements or omissions that would make it misleading in any material respect.

4.2.12 *Legal Form; Enforceability.* This Agreement and the Financing Documents to which the Administrator is a party are in proper legal form under the law of Chile for the enforcement thereof against the Administrator under the laws of Chile; and to ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and such other Financing Documents in Chile (except for the official translation into Spanish of this Agreement or such other Financing Document by the Ministry of Foreign Affairs of Chile, if executed in a language other than Spanish), it is not necessary that either this Agreement, any other Financing Documents or any other document be filed or recorded with any court or other Authority in Chile or that any stamp or similar tax be paid on or in respect of this Agreement or the other Financing Document.

4.2.13 *Relevant Permits.* Each Relevant Permit applicable to the Administrator and required as of the date hereof is set forth in Section 1 of Schedule 3 (*Relevant Permits*) and each such Relevant Permit has been validly issued and obtained and is in full force and effect.

4.2.14 *No Default.* No Default that is attributable to any of the representations and warranties or covenants of the Administrator hereunder has occurred and is continuing.

4.2.15 *No Omissions.* None of the representations and warranties in this Section 4.2 (*Administrator's Representations and Warranties*) omits any matter the omission of which makes any of such representations and warranties misleading in any material respect.

Section 4.3 AFT's Representations and Warranties.

AFT represents and warrants, as of the Effective Date and on each Disbursement Date that:

4.3.1 Organization; Powers.

4.3.1.1 AFT is a *sociedad anónima*, duly organized and validly existing under the laws of Chile. The nature of AFT is private. AFT is not a public entity nor part of the Chilean state or the public sector.

4.3.1.2 AFT has all corporate power and authority to enter into, and comply with its obligations under this Agreement and the other Transaction Documents to which it is a party, or will, in the case of any Transaction Document not executed as at the Effective Date, when that Transaction Document is executed, have the requisite corporate power and authority to enter into, and comply with its obligations under, that Financing Document.

4.3.1.3 AFT is duly authorized to act in its capacity as Manager and Administrator.

4.3.2 *Enforceability.* Each Transaction Document to which AFT is party to has been duly executed by AFT and constitutes a valid and legally binding obligation of AFT enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization or other similar applicable laws relating to or limiting creditor's rights generally, or by general equitable principles.

4.3.3 *No Violation.* Neither the execution and delivery by AFT of any Transaction Document to which it is a party nor (when all the Relevant Permits applicable to it have been obtained) the compliance by AFT with its terms will:

4.3.3.1 contravene any judgment, decree or order or any Authorization existing as of the Effective Date applicable to AFT;

4.3.3.2 contravene or result in any breach of any of the terms of, or constitute a default or require any consent under the terms of, any indenture, mortgage, deed of trust, agreement or other arrangement to which AFT is a party;

4.3.3.3 violate the terms of AFT's Organizational Documents; or

4.3.3.4 violate any applicable law.

4.3.4 *Intellectual Property.* AFT owns or has the right to use all intellectual property it needs, in connection with the Project including all intellectual property rights relating to the "Smart Card" System operated by AFT, and no claim has been asserted and is pending by any Person challenging or questioning the use of any such intellectual property or the validity or effectiveness of any such intellectual property, nor does the Borrower know of any valid basis for any such claim that could reasonably be expected to result in a Material Adverse Effect. The use of such intellectual property

by AFT does not infringe on the rights of any Person other than any such infringement that does not have a Material Adverse Effect.

4.3.5 *Compliance with Applicable Laws.* AFT is in compliance in all material respects with all laws, rules and regulations applicable to it and all agreements to which it is a party.

4.3.6 *Immunity.* The execution and delivery by AFT of, and the compliance with its obligations under, this Agreement and the other Transaction Documents to which it is a party constitute private and commercial acts of AFT rather than public or governmental acts. Neither AFT nor any of its Property has any immunity (sovereign or otherwise) from any legal action, suit or proceeding (whether service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) or from the jurisdiction of any court or from set off.

4.3.7 *Bankruptcy; Insolvency; Winding up.* AFT has not taken any corporate action nor have any other legal steps been taken or legal proceedings been commenced by it or, to AFT's knowledge, threatened against AFT seeking a reorganization, moratorium, arrangement, adjustment or composition or for the appointment of a receiver, liquidator, assignee, sequestrator (or similar official) in relation to any part of its Property, or for the winding up, dissolution or reorganization of AFT or of any or all of the Property of AFT.

4.3.8 *Prohibited Practices.* Neither AFT nor, to the AFT 's knowledge, any Person acting on its behalf has committed or engaged in any Prohibited Practice.

4.3.9 *Foreign Asset Control and Anti-money Laundering Regulations.* AFT's Operations do not violate the Foreign Asset Control and Anti-Money Laundering Regulations.

4.3.10 *No Default.* No Default that is attributable to any of the representations and warranties or covenants of AFT hereunder has occurred and is continuing.

4.3.11 *Financial Statements.*

4.3.11.1 AFT 's Financial Statements as at and for the annual period ending on December 31, 2007 and the quarterly period ending on March 31, 2008 already delivered to AFT were prepared in accordance with AFT 's books and records and give a true and fair view of the financial position of AFT as of the dates thereof and the results of its operations and cash flow for the annual period or, as applicable, the quarterly period then ended, all in conformity with the Accounting Principles.

4.3.11.2 Except as disclosed on Schedule 5 (*Liabilities*), such Financial Statements disclose all liabilities (contingent or otherwise) of AFT and the reserves as of the date thereof, if any, for such liabilities and all unrealized or anticipated liabilities or losses arising from commitments entered into by AFT (whether or not such commitments have been disclosed in such Financial Statements).

4.3.12 *No Omissions.* None of the representations and warranties in this Section 4.3 (*AFT's Representations and Warranties*) omits any matter the omission of which makes any of such representations and warranties misleading in any material respect.

Section 4.4 Acknowledgment and Warranty.

4.4.1 The Borrower acknowledges that it makes the representations and warranties contained in Section 4.1 (*Borrower's Representations and Warranties*) with the intention of inducing IDB to enter into this Agreement and the other Financing Documents and that IDB has entered into this Agreement and the other Financing Documents on the basis of, and in full reliance on, each such representation and warranty. Apart from the representations and warranties expressly stated in Section 4.1 (*Borrower's Representations and Warranties*), there are no other representations and warranties of the Borrower that could be implied or inferred from this agreement.

4.4.2 The Administrator acknowledges that it makes the representations and warranties contained in Section 4.2 (*Administrator's Representations and Warranties*) with the intention of inducing IDB to enter into this Agreement and the other Financing Documents and that IDB has entered into this Agreement and the other Financing Documents on the basis of, and in full reliance on, each such representation and warranty. Apart from the representations and warranties expressly stated in Section 4.2 (*Administrator's Representations and Warranties*), there are no other representations and warranties of AFT that could be implied or inferred from this agreement.

4.4.3 AFT acknowledges that it makes the representations and warranties contained in Section 4.3 (*AFT's Representations and Warranties*) with the intention of inducing IDB to enter into this Agreement and the other Financing Documents and that IDB has entered into this Agreement and the other Financing Documents on the basis of, and in full reliance on, each such representation and warranty. Apart from the representations and warranties expressly stated in Section 4.3 (*AFT's Representations and Warranties*), there are no other representations and warranties of AFT that could be implied or inferred from this agreement.

ARTICLE 5

CONDITIONS PRECEDENT TO DISBURSEMENT

Section 5.1 Conditions Precedent to First Disbursement.

The obligation of IDB to make the first Disbursement is subject to the fulfilment in a manner satisfactory to IDB, at least two (2) Business Days prior to the First Disbursement Date, of the following conditions:

5.1.1 Organizational Documents.

- 5.1.1.1 IDB has received copies of the Organizational Documents of the Borrower and AFT duly registered with the competent commercial registry, as applicable, and accompanied by a certificate substantially in the form of Exhibit 5 (*Form of*

Borrower's Certificate Regarding Organizational Documents) signed by an Authorized Representative of the Borrower and AFT certifying such copies as true and complete; and

5.1.1.2 the Organizational Documents of the Borrower and AFT are in form and substance satisfactory to IDB.

5.1.2 *Directors' Resolutions of the Borrower, AFT and CORFO.* IDB has received, from each of the Borrower, AFT and CORFO, a copy of the resolutions of the board of directors, general corporate powers, ministerial decree or comparable Authorization, certified by an Authorized Representative of the Borrower, AFT or CORFO, as applicable, as being in full force and effect as of the First Disbursement Date, along with any other necessary approvals or registrations (or evidence thereof), which in each case are required to authorize:

5.1.2.1 the execution, delivery and performance of the Financing Documents to which the Borrower, AFT and CORFO, as applicable, are party; and

5.1.2.2 a specified Person or Persons to execute such Financing Documents.

5.1.3 *Incumbency of the Borrower.* IDB has received a Certificate of Incumbency and Authority from each of the Borrower, AFT and MTT dated as of the First Disbursement Date.

5.1.4 *Financing Documents, MTT Letters, MTT/MH Comfort Letter, PCS Regulation.*

5.1.4.1 Each Financing Document is in form and substance satisfactory to IDB, is unconditional and fully effective in accordance with its terms (except for this Agreement having become unconditional and fully effective, if that is a condition of any of those documents, and the Participation Agreement, which is subject to the conditions set forth therein), and has been duly authorized, executed and delivered by all parties thereto, and IDB has received a copy of each Financing Document to which it is not a party, certified (in the case of each Financing Document to which the Borrower is a party) by an Authorized Representative of the Borrower as a true and complete copy thereof, in each case, other than the Environmental Monitoring Agreement, the Notes, the Additional Participation Agreement and the Additional PCS.

5.1.4.2 Each of the MTT Letters and the MTT/MH Comfort Letter is in form and substance satisfactory to IDB, and have been duly authorized, executed and delivered by all parties thereto and IDB has received a copy of each such document.

5.1.4.3 The PCS Regulation is in form and substance satisfactory to IDB, is unconditional and fully effective in accordance with its terms and has been duly authorized, executed and delivered by the relevant Chilean Authority.

5.1.5 *Project Documents.* IDB has received a copy of each Project Document in form and substance satisfactory to IDB, certified by an Authorized Representative of MTT as a true and complete copy thereof. Each such Project Document is unconditional and fully effective in accordance with its terms, and has been duly authorized, executed and delivered by all parties thereto.

5.1.6 *Environmental and Social.*

5.1.6.1 IDB has received a report, in form and substance reasonably satisfactory to IDB, from the Environmental and Social Consultant either (a) confirming that arrangements have been made for the Project and each Environmental Party to comply with the Environmental and the Social Requirements or (b) setting forth recommendations regarding arrangements for the Project and each Environmental Party to comply with the Environmental and Social Requirements; and

5.1.6.2 IDB has received, in form and substance reasonably satisfactory to IDB the Environmental, Health and Safety Action Plan.

5.1.7 *Legal Opinions.* IDB has received a legal opinion or opinions dated as of the First Disbursement Date, addressed to IDB and in form and substance satisfactory to IDB, from:

5.1.7.1 Guerrero, Olivos, Novoa y Errázuriz Limitada, Chilean counsel to the Borrower and AFT, substantially in the form of the opinion set forth in Exhibit 7 (*Form of Opinion of Local Counsel*);

5.1.7.2 White & Case LLP, New York counsel to the Borrower and AFT, substantially in the form of the opinion set forth in Exhibit 8 (*Form of Opinion of Borrower's New York Counsel*);

5.1.7.3 Gutiérrez, Waugh, Jimeno & Asenjo, Chilean counsel to CORFO, substantially in the form of the opinion set forth in Exhibit 9 (*Form of Opinion of CORFO's Counsel*); and

5.1.7.4 Claro y Compañía, Chilean counsel to IDB covering such matters incident to the transactions contemplated by the Financing Documents as IDB may reasonably require.

5.1.8 *Accounting; Cost Control and Information.* The Borrower has made arrangements satisfactory to IDB with respect to the appointment of independent public accountants as Auditors and such Auditors have certified to IDB that the Borrower's accounting and cost control system and management information system are adequate for the purpose of the Borrower's compliance with the requirements set forth in Section 6.1.4 (*Systems; Books and Records*).

5.1.9 *Financial Statements.* IDB has received copies of:

- 5.1.9.1 the most recent audited annual Financial Statements of the Accounts and the Borrower, and monthly audited Financial Statements of the Accounts and the Borrower available for any month thereafter prior to the First Disbursement Date, prepared in accordance with the Accounting Principles and certified by the Auditors; and
- 5.1.9.2 the most recent annual audited Financial Statements of AFT, and the most recent quarterly Financial Statements of AFT that is available, prepared in accordance with the Accounting Principles and certified by the Auditors.

5.1.10 *Process Agent.* IDB has received a letter substantially in the form of Exhibit 6 (*Form of Service of Process Letter*) relating to the appointment of an agent for service of process by the Borrower and the Administrator, together with evidence satisfactory to IDB of such process agent's unconditional acceptance of such appointment to act as such until the date six (6) months after the Final Maturity Date.

5.1.11 *Authorization of Auditors.* IDB has received a copy of the authorization to the Auditors, substantially in the form of Exhibit 4 (*Form of Authorization to Auditors*), signed by an Authorized Representative of the Borrower and acknowledged and consented to by an Authorized Representative of the Auditors.

5.1.12 *Annual Budget.* IDB has received the Annual Budget for the 2008 fiscal year, in form and substance satisfactory to IDB.

5.1.13 *Base Case.* IDB has received a Base Case model, in form and substance satisfactory to IDB.

5.1.14 *Consultants' Report.* IDB has received a report from the Technical Consultant, in form and substance satisfactory to IDB.

5.1.15 *Banco del Estado Loan Agreement.* IDB has received copy of the amendment agreement to the Banco del Estado Loan Agreement, certified by MTT to be a true and correct copy of the original thereof, which provides for, *inter alia*, an approximately 3-year grace period and principal and interest payment dates that, respectively, match the Loan Repayment Dates and the Interest Payment Dates and is otherwise in form and substance satisfactory to IDB.

5.1.16 *Relevant Permits.* IDB has received copies of all Relevant Permits and exchange control approvals, each in form and substance acceptable to IDB, including but not limited to:

- 5.1.16.1 *decreto supremo* from MTT and MH, pursuant to Chilean Law N° 20.206, duly executed and delivered and legally binding;
- 5.1.16.2 the relevant *decreto supremo* or *resolución*, as applicable, authorizing (a) the funding of the PCS Account for the benefit of IDB in an amount not less than three hundred and twenty million Dollars (\$320,000,000) and (b) CORFO's

issuance of the PCS for the benefit of IDB and the Loan and the execution of the transactions contemplated herein;

5.1.16.3 any required authorizations or approvals from the *Contraloria General de la Republica*; and

5.1.16.4 the consent of each of the Bus Operators with respect to the Loan.

5.1.17 *PCS Account*. The PCS Account has been funded in an amount in Dollars not less than the amount of the Disbursement being requested pursuant to the applicable Disbursement Request.

5.1.18 *Chilean Markets*. No material adverse effect shall have occurred with respect to the financial or capital markets of Chile or in the market of loans to and securities issued by Chilean issuers.

Section 5.2 Conditions of all Disbursements.

The obligation of IDB to make any Disbursement of the Loan (including, except where otherwise stated, the first Disbursement) is also subject to the fulfillment, in a manner satisfactory to IDB, of the following conditions:

5.2.1 *Disbursement Request*. IDB has received a Disbursement Request with respect to the Disbursement in accordance with Section 3.2 (*Disbursement Procedure*), together with a receipt substantially in the form of Exhibit 2 (*Form of Disbursement Receipt*). The Disbursement Request shall evidence use of proceeds in sufficient detail satisfactory to IDB and in compliance with Section 6.1.1 (*Use of Proceeds*).

5.2.2 *Default*. No Default has occurred and is continuing or will occur as a result of the making of the Disbursement.

5.2.3 *Representations and Warranties*. All representations and warranties made by the Borrower in the Financing Documents are true and correct with reference to the facts and circumstances existing on the date of the Disbursement Request and on the Disbursement Date with the same effect as though such representations and warranties had been made on and as of each such date (except to the extent expressly made as of another date, in which case such representations and warranties are true and correct as of such other date), and will remain so immediately following such Disbursement; provided that the references to the Borrower's Financial Statements shall be deemed to be references to the most recent Financial Statements of the Borrower delivered to IDB.

5.2.4 *Fees*. The Borrower has either (i) paid all fees due prior to or as of the relevant Disbursement Date pursuant to each Financing Document, or (ii) made arrangements satisfactory to IDB for the payment of such fees on or prior to the relevant Disbursement Date.

5.2.5 *Expenses*. IDB has been reimbursed for all fees and expenses required to be reimbursed prior to or as of the relevant Disbursement Date pursuant to this Agreement (including all invoiced fees and expenses of IDB's counsel and the Consultants, as provided in Section 3.20 (*Reimbursement of Expenses*)) or has received confirmation from each of the beneficiaries of such

payments that such fees and expenses have been paid directly to it or that arrangements satisfactory to it have been made for the payment of such fees and expenses on or prior to the relevant Disbursement Date.

5.2.6 *Subsequent Legal Opinions, Reports and Certifications.* If IDB requests, IDB has received, in form and substance satisfactory to IDB, and with respect to any matter not in existence, which was unresolved or which IDB was not aware of as of the Effective Date, (a) a legal opinion or opinions from IDB's counsel, and counsel for the Borrower, and (b) a report or certification from any of the Consultants.

5.2.7 *Material Adverse Effect.* Since the date of the Borrower's most recent Financial Statements delivered to IDB, nothing has occurred that has or could reasonably be expected to have a Material Adverse Effect.

5.2.8 *Material Loss or Liability.* Since the date of its most recent Financial Statements delivered to IDB, and except as contemplated in the then current Annual Budget, the Project has not incurred any material loss or liability (except such liabilities as may be incurred in accordance with Section 6.2 (*Negative Covenants*)).

5.2.9 *Environment and Social.*

5.2.9.1 The Borrower has delivered to IDB a declaration provided by MTT to the effect that:

5.2.9.1.1 the Project and each Environmental Party is in compliance with all Environmental and Social Provisions (other than those disclosed to IDB and (a) for which an Environmental, Health and Safety Action Plan satisfactory to IDB is being implemented and (b) if applicable, for which a Corrective Action Plan satisfactory to IDB is being implemented); and

5.2.9.1.2 since the First Disbursement Date, in relation to the Project and each Environmental Party, there are no additional (other than those disclosed to IDB and for which a Environmental, Health and Safety Action Plan satisfactory to IDB is being implemented) (a) existing risks or adverse impacts with respect to Environmental or Social Matters that have not been adequately mitigated or compensated; or (b) known Environmental Claims; or (c) material complaints relating to Environmental or Social Matters.

5.2.9.2 The Environmental and Social Consultant has delivered to IDB, on any day in a Financial Quarter and in form and substance satisfactory to IDB, a certificate stating that:

5.2.9.2.1 the Project and each Environmental Party are in compliance with all Environmental and Social Provisions (other than those disclosed

to IDB and (a) for which an Environmental, Health and Safety Action Plan satisfactory to IDB is being implemented and (b) if applicable, for which a Corrective Action Plan satisfactory to IDB is being implemented); and

5.2.9.2.2 in relation to the Project and each Environmental Party there are no (a) existing adverse risks or impacts relating to Environmental or Social Matters that have not been adequately mitigated or compensated; (b) known Environmental Claims; or (c) material complaints relating to Environmental or Social Matters; in each case, other than those disclosed to IDB and (i) for which an Environmental, Health and Safety Action Plan satisfactory to IDB is being implemented and (ii) if applicable, for which a Corrective Action Plan satisfactory to IDB is being implemented);

5.2.9.2.3 for any Disbursement after the date that is forty-five (45) days after the Effective Date, the Environmental Monitoring Agreement has been duly executed and is in full force and effect.

5.2.10 *Transaction Documents and PCS Regulation.* Each Transaction Document and the PCS Regulation remain in full force and effect in accordance with their respective terms.

5.2.11 *Notes.* The Borrower shall have duly executed and delivered to IDB the Notes required to be delivered in respect of such Disbursement, and such Notes shall have been duly authorized by a Chilean notary public.

5.2.12 *Account Instructions.*

5.2.12.1 MTT shall have delivered an MTT Instruction to the Administrator and the Borrower and IDB shall have received a copy thereof.

5.2.12.2 IDB shall have received a certificate issued by the Administrator that provides details of the amounts paid to the Bus Operators during the period between the immediately preceding Disbursement Date and the requested Disbursement Date; provided, that this Section 5.2.12.2 shall not apply to the first Disbursement.

5.2.13 *Additional Participation Agreement and Additional PCS.* Only in respect of any Disbursement occurring at any time after the date that is twelve (12) months after the date of the Participation Agreement, the Additional Participation Agreement and the Additional PCS is in form and substance satisfactory to IDB, is unconditional and fully effective in accordance with its terms (except for the conditions set forth therein), and has been duly authorized, executed and delivered by all parties thereto.

Section 5.3 Conditions for IDB Benefit.

The conditions in Section 5.1 (*Conditions Precedent to First Disbursement*) and Section 5.2 (*Conditions of all Disbursements*) are for the benefit of IDB and may be waived only by IDB in its discretion.

ARTICLE 6

COVENANTS

Section 6.1 Affirmative Covenants.

Unless IDB otherwise agrees, the Borrower shall:

6.1.1 Use of Proceeds. Cause:

6.1.1.1 the proceeds of all Disbursements to be applied in accordance with Schedule 1; and

6.1.1.2 all Project Revenues received by the Borrower from Banking Account #2 and all other monies and revenues of the Borrower to be applied strictly in accordance with Schedule 1 (*Project Accounts and Daily Provision Mechanism*), the Concession Contracts, the AFT and MTT Agreement and the Metro and AFT Agreement.

6.1.2 *Existence; Continuing Engagement in Business.* Maintain its legal existence and take all reasonable action necessary to maintain all material rights, privileges and franchises necessary or desirable in the normal conduct of its business.

6.1.3 *Property.* Maintain all of its Property necessary for its Operations in good working order and condition and maintain good, legal and valid title to all such Property, free of all Liens other than Permitted Liens.

6.1.4 *Systems; Books and Records.* Maintain an accounting and cost control system, management information system and books of account and other records adequate to reflect truly and fairly the financial condition of the Borrower and the results of its operations in conformity with the Accounting Principles, the Financing Documents, applicable law and the Relevant Permits.

6.1.5 *Access Rights.* Upon IDB's request, such request to be made with reasonable prior notice to the Borrower, except if a Default is continuing or if special circumstances so require, permit representatives of IDB and any agent of IDB, including the Consultants and any other consultant appointed by IDB, during normal business hours, to:

6.1.5.1 visit and inspect any premises where the Operations of the Borrower are conducted; examine, make abstracts and make photocopies or reproductions of any of the Borrower's books of account and records; and

- 6.1.5.2 have access to those of the Administrator's employees, officers and agents who have or may have knowledge of the matters with respect to which IDB seeks information or of the business, Operations, Property and financial and other condition of the Borrower and the Project generally.
- 6.1.6 *Auditors.*
 - 6.1.6.1 Maintain at all times KPMG or any other firm of internationally recognized independent public accountants as auditors;
 - 6.1.6.2 Authorize the Auditors (whose fees and expenses shall be for the account of the Administrator) to communicate directly with IDB at any time regarding the Accounts and the Borrower by executing and delivering to the Auditors (with a copy to IDB) an authorization substantially in the form of Exhibit 4 (*Form of Authorization to Auditors*), and obtaining the Auditors' acknowledgment and consent thereto; and
 - 6.1.6.3 No later than thirty (30) days after any change in Auditors, issue a similar authorization to the new Auditors and provide a copy thereof to IDB.
- 6.1.7 *Maintenance of Relevant Permits.*
 - 6.1.7.1 Obtain timely and maintain in force, or cause to be obtained timely and maintained in force (and where appropriate, timely renew or cause to be timely renewed) all Relevant Permits applicable to the Borrower;
 - 6.1.7.2 Perform and observe or cause to be performed or observed, all obligations, conditions and restrictions contained in, or imposed on the Borrower by all such Relevant Permits; and
 - 6.1.7.3 If IDB requests, deliver to IDB a copy of each such Relevant Permit, certified by an Authorized Representative of the Borrower, within ten (10) days of its issuance or renewal.
- 6.1.8 *Conditions of Business; Compliance with Applicable Law.*
 - 6.1.8.1 Conduct its Operations in accordance (and otherwise comply) with all applicable laws, rules, regulations and orders (including all banking laws and regulations) of Authorities, the Foreign Asset Control and Anti money Laundering Regulations, Relevant Permits, Environmental and Social Requirements and the Financing Documents; and
 - 6.1.8.2 Comply with the Chilean foreign exchange report requirements, including (without limitation) the reporting requirement set forth in Chapter XIV of the Compendium of Foreign Exchange Rules of the Central Bank of Chile in respect of reporting the financial terms and conditions of the Loan to the Central Bank of Chile.

6.1.9 *Taxes.* File timely or cause to be filed timely all Tax Returns required to be filed by it and pay or cause to be paid all Taxes due and payable by it whether shown to be due and payable on such Tax Returns or on any assessment received by it or otherwise, except to the extent any such Taxes are being diligently contested by appropriate proceedings in good faith and with respect to which adequate reserves have been established on the books of the Borrower in accordance with the Accounting Principles.

6.1.10 *Ranking.* Without prejudice to Section 6.2.1.4, take such action as may be necessary to ensure that, at all times, the obligations of the Borrower under the Financing Documents are senior, unconditional, secured (to the extent purported in the Security Documents) and unsubordinated obligations, and rank and will rank senior in priority of payment with all other unsecured and unsubordinated obligations of the Borrower outstanding from time to time (including the Government of Chile Loan), except for the Banco del Estado Loan, and such exceptions as are provided by applicable law.

6.1.11 *Economic Analysis.* Upon the reasonable request of IDB, cooperate with and promptly produce, in a form reasonably acceptable to the IDB, all information, analysis and reports to enable IDB to perform a comprehensive economic analysis of the Project.

Section 6.2 Negative Covenants.

Unless IDB otherwise agrees, the Borrower shall not:

6.2.1 *Permitted Indebtedness.* Incur, assume or permit to exist any Debt, other than:

6.2.1.1 the Loan;

6.2.1.2 the Banco del Estado Loan;

6.2.1.3 the Government of Chile Loan; and

6.2.1.4 any other Debt to the extent that (i) the Sustainability Index is not less than 1.00:1.00 after the incurrence thereof and (ii) any such Debt is fully subordinated to the Loan in all respects and on terms satisfactory to IDB.

6.2.2 *Obligations of Others.* Except to the extent permitted in Section 6.2.1 (*Permitted Indebtedness*), enter into any guarantee or indemnity or otherwise assume the obligations of another Person, or indemnify or agree to indemnify any Person from and against any claim, loss, damage, expense or other liability.

6.2.3 *Liens.* Create, assume or permit to exist or create or suffer to exist, any Lien on any of its Property now owned or hereafter acquired by it, other than Permitted Liens.

6.2.4 *Fundamental Changes to the Borrower and the Project.* (a) Enter into any agreement or arrangement whereby the Borrower is managed by any Person other than AFT or another *administrador financiero del transantiago* that is reasonably satisfactory to IDB; or (b) materially

change or agree to any material change to the Project, the Accounts structure and application of Project Revenues or any provision of the Borrower's Organizational Documents.

6.2.5 *Sale of Assets.* Sell, lease, transfer or otherwise dispose of (by one or a series of transactions, related or not) any of its Property except as specifically permitted under the Financing Documents.

6.2.6 *Affiliate Transactions.* Enter into any transaction, including the purchase, sale, lease or exchange of Property or the rendering of any service, with any Project Party or an Affiliate thereof (an *Affiliate Transaction*), unless such transaction is upon terms that are fair and reasonable to the Borrower and at fair market value (determined on the basis of an arm's length transaction that would be entered into between two willing unrelated parties).

6.2.7 *Accounting Changes.* Change its Financial Year, or make or permit any change in accounting policies or reporting practices, except as required to comply with the Accounting Principles or its Financial Year.

6.2.8 *Prepayment.* Prepay (whether voluntarily or involuntarily) or repurchase any Long-term Debt (other than the Loan) pursuant to any agreement or arrangement, unless:

6.2.8.1 such Long-term Debt is refinanced with the proceeds of the new Long-term Debt on equivalent or more favorable terms to the Borrower than the Loan; or

6.2.8.2 the Borrower gives IDB at least thirty (30) days' advance written notice of its intention to make the proposed prepayment and, if IDB so requires, the Borrower simultaneously prepays a proportionate amount of the Loan in accordance with Section 3.5.3 (*Voluntary Prepayment*) except that there shall be no minimum amount, or (except as provided above) advance notice period for such prepayment.

6.2.9 *Prohibited Practices.* Commit or engage in (and shall not authorize or permit any Affiliate or any other Person acting on its behalf to commit or engage in) any Prohibited Practice, and if IDB notifies the Borrower of its concern that there has been a violation of this Section 6.2.9 (*Prohibited Practices*), Section 4.1.23 (*Prohibited Practices*), Section 4.2.8 (*Prohibited Practices*) or Section 4.3.8 (*Prohibited Practices*), the Borrower shall cooperate in good faith with IDB and its representatives in determining whether such a violation has occurred, and shall respond promptly and in reasonable detail to any notice from IDB, and shall furnish documentary support for such response upon IDB's request.

6.2.10 *Scope of Business.* Change the nature or scope of its business or enter into any other business, either directly or indirectly, unconnected with the Operations of the Borrower or the performance of its obligations under the Financing Documents.

Section 6.3 Administrator's Covenants.

6.3.1 *Application of Project Revenues; Daily Provision Mechanism.* Unless IDB otherwise agrees, the Administrator shall apply all proceeds of Disbursements deposited into Banking Account #6 in accordance with Schedule 1 and all Project Revenues and other monies and revenues which it receives in accordance with Schedule 1 (*Accounts and Daily Provision Mechanism*).

6.3.2 No later than thirty (30) days after the final Disbursement Date, the Administrator shall provide IDB with a certificate issued by an Authorized Representative of the Administrator that provides details of the amounts paid to the Bus Operators during the period between the final Disbursement Date and the date of such certificate.

6.3.3 *Audited Annual Financial Statements.* As soon as available but in any event within ninety (90) days after the end of each Financial Year, the Administrator shall deliver to IDB:

6.3.3.1 two (2) copies of the audited Financial Statements of the Administrator for such Financial Year setting forth in each case in comparative form the corresponding figures for the previous Financial Year;

6.3.3.2 a certificate of an Authorized Representative of the Administrator reporting on such Financial Statements certifying:

6.3.3.2.1 that the Financial Statements fairly present in all material respects the financial condition of the Administrator as of the date thereof and the results of its operations and cash flow for the relevant period in conformity with the Accounting Principles; and

6.3.3.2.2 that as of the end of the relevant Financial Year no Default caused by the Administrator had occurred and was then continuing, except as specified in such certificate.

6.3.4 *Quarterly Financial Statements.* As soon as available but in any event within forty-five (45) days after the end of the first, second and third Financial Quarters of each Financial Year, the Administrator shall deliver to IDB:

6.3.4.1 two (2) copies of the unaudited Financial Statements of the Administrator for such quarterly period, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Financial Year;

6.3.4.2 a certificate of an Authorized Representative of the Administrator reporting on such Financial Statements certifying:

6.3.4.2.1 that the Financial Statements fairly present in all material respects the financial condition of the Administrator as of the date thereof and the results of its operations and cash flow for the relevant period, all in conformity with the Accounting Principles;

6.3.4.2.2 that as of the end of the relevant Financial Quarter no Default caused by the Administrator had occurred and was then continuing, except as specified in such certificate.

6.3.5 *Prohibited Practices.* The Administrator shall not commit or engage in (and shall not authorize or permit any other Person acting on its behalf to commit or engage in) any Prohibited Practice, and if IDB notifies the Administrator of its concern that there has been a violation of this Section 6.3.5, Section 4.1.23 (*Prohibited Practices*), Section 4.2.8 (*Prohibited Practices*) or Section 4.3.8 (*Prohibited Practices*), the Administrator shall cooperate in good faith with IDB and its representatives in determining whether such a violation has occurred, and shall respond promptly and in reasonable detail to any notice from IDB, and shall furnish documentary support for such response upon IDB's request.

6.3.6 *CER (Borrower) Account Deficiencies.* Not later than five (5) Business Days prior to any Transfer Date, the Administrator shall provide IDB with notice of the amount on deposit in the CER (Borrower) Account as of such date and any deficiency in the CER (Borrower) Account that would prevent a transfer of the full amount required to be made on such Transfer Date.

Section 6.4 Borrower's and Administrator's Information Covenants.

Each of the Borrower and, with respect only to Section 6.4.9 (*Sustainability Index*), the Administrator, shall deliver to IDB:

6.4.1 *Annual Financial Statements.* As soon as available but in any event within ninety (90) days after the end of each Financial Year:

6.4.1.1 two (2) copies of the audited Financial Statements of the Borrower and the Accounts for such Financial Year setting forth in each case in comparative form the corresponding figures for the previous Financial Year;

6.4.1.2 a certificate of the Administrator reporting on such Financial Statements certifying:

6.4.1.2.1 that in making their examination, no knowledge of any Default was obtained, except as specified in such certificate; and

6.4.1.2.2 that during the applicable period and as of the end of the relevant Financial Year the Borrower was in compliance with all the terms and conditions of the Financing Documents and that no Default caused by the Borrower has occurred, except as specified in such certificate.

6.4.2 *Monthly Financial Statements.* As soon as available but in any event within forty-five (45) days after the end of each calendar month:

6.4.2.1 two (2) copies of the audited Financial Statements of the Borrower and the Accounts for such monthly period setting forth in each case in comparative

form the corresponding figures for the corresponding periods of the previous Financial Year;

6.4.2.2 a certificate of the Administrator:

6.4.2.2.1 certifying that the Financial Statements delivered pursuant to Section 6.4.2.1 (*Monthly Financial Statements*) were prepared from and are in accordance with the Borrower's and the Account's books and records and give a true and fair view of the financial position of the Borrower and the Accounts as of the date thereof and the results of its operations and cash flow for the relevant monthly period all in conformity with the Accounting Principles; and

6.4.2.2.2 certifying that during the applicable period the Borrower was in compliance with all the terms and conditions of the Financing Documents and that no Default caused by the Borrower has occurred, except as specified in such certificate.

6.4.3 *Annual Report.* As soon as available and received by the Borrower or the Administrator, any report prepared by MTT for purposes of the Project and delivered to the Chilean Congress in respect of the Project.

6.4.4 *Notices.*

6.4.4.1 Not later than five (5) Business Days after the Manager or any other Authorized Representative of the Borrower obtains knowledge of the occurrence of any Default, a certificate of such Authorized Representative specifying the nature of that Default and any steps the Borrower or such Authorized Representative is taking or intends to take to remedy it.

6.4.4.2 Promptly upon becoming aware thereof, notice of any action, suit, other legal proceeding, administrative proceedings or other claim before any Authority that has had or may reasonably be expected to have a Material Adverse Effect, and notice to IDB by facsimile of that event specifying the nature of those proceedings and the steps the Borrower is taking or proposes to take with respect thereto.

6.4.4.3 Prompt notice of any proposed changes in the nature or scope of the Operations of the Borrower or the Project.

6.4.4.4 Promptly upon becoming aware of the existence of any violation of any of the Foreign Asset Control and Anti-money Laundering Regulations by the Borrower, or any investigation by any Authority relating thereto, provide notice thereof, including a description of the violation or the matter under

investigation, as the case may be, and the steps that are being taken to resolve such matter.

6.4.4.5 In the case of each of Section 6.4.4.2 through 6.4.4.4, "prompt" or "promptly" shall mean as soon as available but in any event within five (5) Business Days of the occurrence of the relevant event.

6.4.5 *Communications with Auditors.* Promptly following receipt thereof by the Borrower, two (2) copies of any management letter or other communication sent by the Auditors (or any other accountants retained by the Borrower) to the Borrower in relation to the Borrower's financial, accounting and other systems, the Borrower's management information system or its accounts, if not otherwise delivered under Section 6.4.1 (*Annual Financial Statements*).

6.4.6 *Affiliate Transactions.* Promptly, upon entering into an Affiliate Transaction, a certificate of an Authorized Representative of the Borrower describing in detail the commercial and financial terms of any such Affiliate Transaction and certifying that such Affiliate Transaction complies with the Financing Documents including Section 6.2.6 (*Affiliate Transactions*).

6.4.7 *Additional Information.* From time to time, such information as IDB may reasonably request, including information with respect to the Borrower, its Property, the Accounts, the Administrator, the Operations of the Borrower and the performance by it of its obligations under the Financing Documents.

6.4.8 *Participation Agreement.* Promptly, all information required under the Participation Agreement and the Additional Participation Agreement from time to time in connection with the Loan, the PCS and the Additional PCS, in the form required by CORFO,

6.4.9 *Sustainability Index.*

6.4.9.1 The Administrator shall deliver to IDB, promptly upon receipt from MTT and in any event no later than ten (10) Business Days prior to the end of each Financial Quarter:

6.4.9.1.1 a calculation of the proposed Sustainability Index for the next period of twelve (12) calendar months, prepared by MTT, together with all related projections and calculations; and

6.4.9.1.2 a certificate of the MTT setting forth in reasonable detail (a) all information necessary to calculate (and providing the calculations necessary to determine) the Sustainability Index during the applicable period and as at the last day of the period covered, as relevant, by such Financial Statements and (b) a detailed report of the sources and uses of Project Revenues and other cash flows applicable to such period.

6.4.9.2 If IDB, within ten (10) Business Days of receipt of MTT's calculation of the proposed Sustainability Index, provides any objections or comments thereto, MTT shall, unless otherwise agreed to by IDB, revise such calculation to incorporate such objections and comments to the satisfaction of the IDB (the confirmation of such satisfaction not to be unreasonably withheld or denied) and the Administrator shall deliver the revised calculation of the Sustainability Index to IDB. Without limiting Section 7.2.14 (*Sustainability Index*), if IDB does not provide comments or objections within such ten (10) Business Day period, it shall be deemed to have approved such calculation of the Sustainability Index.

6.4.10 *Operational Improvements and Tariff Readjustments.* No later than five (5) Business Days after the end of each financial semester, a report prepared by MTT in form and substance satisfactory to IDB detailing (i) any readjustment of the Project's tariff charges and (ii) the steps taking during such period with respect to the implementation of operational improvements to the Project.

Section 6.5 Budget; Base Case.

Not later than forty-five (45) days prior to the end of each Financial Year, the Borrower, upon receipt from MTT, shall deliver to IDB two (2) copies of:

6.5.1 the Annual Budget for the immediately following Financial Year, which Annual Budget shall demonstrate sufficient revenue to allow the Borrower to timely pay all of its Obligations under the Financing Documents scheduled to come due in such following Financial Year, accompanied by a certificate of an Authorized Representative of MTT, certifying that such Annual Budget has been prepared by MTT in good faith on the basis of reasonable assumptions and that such Authorized Representative has no reason to believe such assumptions are incorrect or misleading in any material respect; and

6.5.2 an updated Base Case prepared by MTT, delivered in electronic form, using a methodology and assumptions reasonably acceptable to, and otherwise reasonably satisfactory in form and substance to, IDB.

6.5.3 If IDB, within ten (10) Business Days of receipt of MTT's calculation of the proposed Base Case, provides any objections or comments thereto, MTT shall, unless otherwise agreed to by IDB, revise the Base Case to incorporate such objections or comments to the satisfaction of the IDB (the confirmation of such satisfaction not to be unreasonably withheld or denied) and the Administrator shall deliver the revised Base Case to IDB. Without limiting Item 8 of Schedule 11 (*Budget; Base Case*), if IDB does not provide comments or objections within such ten (10) Business Day period, it shall be deemed to have approved such Base Case.

Section 6.6 Environmental and Social Covenants.

6.6.1 The Borrower shall, no later than five (5) Business Days of its receipt from MTT, deliver to IDB with a copy to the Environmental and Social Consultant, two copies of an Environmental and Social Compliance Report prepared by MTT, in form and substance reasonably satisfactory to IDB for each calendar semester or part thereof prior to the first anniversary of the Effective Date in respect of that calendar semester or part thereof no later than within ninety (90) days after the end of such period; thereafter for each calendar year in respect of that calendar year, no later than ninety (90) days after the end of each such period. The Environmental and Social Reports shall provide the necessary information required to assess compliance with the Environmental and Social Provisions, including compliance with Environmental and Social Requirements and the implementation status and results of programs in Environmental Plans. The annual Environmental and Social Report shall also describe, in relation to the Project, a complete list of all individual projects, sub projects and works to be performed, including an identification of any potential projects, sub projects or works that may require an Environmental Impact Assessment.

6.6.2 The Borrower shall notify IDB as soon as possible, but in any event within five (5) Business Days after receiving notice from MTT, of any fact, circumstance, condition or occurrence that has or could likely result in any of the following:

- 6.6.2.1 any material non-compliance with the Environmental and Social Provisions;
- 6.6.2.2 any material adverse impact relating to any Environmental or Social Matter, including any deaths or significant injuries or accidents, Release of Hazardous Substances, significant unplanned Releases, explosions or fires;
- 6.6.2.3 any material written communication with any Authority relating to any Environmental or Social Matter;
- 6.6.2.4 any Environmental Claim; or
- 6.6.2.5 any material complaints relating to Environmental or Social Matters;

and such notice shall include a reasonable description of the event detailing the extent, magnitude, impact and cause of such event together with corrective or remedial actions taken or proposed to be taken with respect thereto, and, as necessary, a Corrective Action Plan in form and substance reasonably satisfactory to IDB.

Section 6.7 AFT's Information Covenants

AFT or any successor that is charged with administration of the Project shall deliver to IDB:

6.7.1 *Annual Financial Statements.* As soon as available but in any event within sixty (60) days after the end of each Financial Year, two (2) copies of the audited Financial Statements of AFT for such Financial Year setting forth in each case in comparative form the corresponding figures for the previous Financial Year.

6.7.2 *Quarterly Financial Statements.* As soon as available but in any event within thirty (30) days after the end of AFT's financial quarter:

6.7.2.1 two (2) copies of the audited Financial Statements of AFT for such quarterly period setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Financial Year; and

6.7.2.2 a certificate of the AFT certifying that the Financial Statements delivered pursuant to Section 6.7.2.1 (*Quarterly Financial Statements*) were prepared from and are in accordance with the AFT's books and records and give a true and fair view of the financial position of AFT as of the date thereof and the results of its operations and cash flow for the relevant quarterly period all in conformity with the Accounting Principles.

ARTICLE 7

EVENTS OF DEFAULT

Section 7.1 General Acceleration Terms and Conditions.

7.1.1 If an Event of Default occurs and is continuing (whether it is voluntary or involuntary, or results from the operation of any applicable law or pursuant to or as a result of any act or failure to act by any Authority or otherwise), IDB may, by notice to the Borrower, take any or all of the following actions:

7.1.1.1 terminate the Borrower's right to request, and any obligation of IDB to make, Disbursements of the Loan, whereupon such right and obligation shall immediately terminate;

7.1.1.2 declare the Loan or such part of the Loan as is specified in the notice (with accrued interest thereon) and all other Obligations to be due and payable forthwith, whereupon the same shall become immediately due and payable without any further notice and without any presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrower; and

7.1.1.3 exercise any other remedies that may be available to IDB under any Financing Document or applicable law, including enforcing the security interest created by, and exercising the remedies contemplated in, the Security Document.

7.1.2 Upon receipt of a notice from IDB under Section 7.1.1.2, the Borrower shall immediately repay the Loan or such part of the Loan as is specified in the notice and all other amounts then declared to be due and payable with respect thereto. Except as expressly provided in this Section 7.1, the Borrower waives presentment, demand, protest or other notice of any kind with respect to that demand for immediate payment and IDB's exercise of remedies.

Section 7.2 Events of Default.

It shall be an Event of Default if:

7.2.1 Payments.

7.2.1.1 *Failure to Make Payments under Financing Documents.* The Borrower or CORFO fails to pay when due (whether at stated maturity or otherwise) any Obligation under the Financing Documents, including principal of, or interest on, the Loan or any payment obligation under the Participation Agreement.

7.2.1.2 Failure to Pay Debt.

7.2.1.2.1 The Borrower fails to pay any amount of more than ten thousand Dollars (\$10,000) in the aggregate with respect to any of its outstanding Debt or other obligations (other than the Obligations) or to perform any of its obligations, when due, under any agreement pursuant to which there is outstanding any Debt and any such failure continues for more than any applicable period of grace or any such Debt becomes prematurely due and payable or is placed on demand.

7.2.1.2.2 CORFO fails to pay any amount, when due, with respect to any of its outstanding Debt in excess of ten million Dollars (\$10,000,000), individually or in the aggregate or to perform any of its obligations (other than the obligations under the Participation Agreement) under an agreement pursuant to which there is outstanding Debt in excess of ten million Dollars (\$10,000,000), individually or in the aggregate and any such failure continues for more than any applicable period of grace or any such Debt becomes prematurely due and payable or is placed on demand.

7.2.1.3 *Accounts.* Any payment from the Accounts for an amount in excess of \$10,000 in the aggregate during any Financial Year is made in contravention of Schedule 1 (*Project Accounts and Daily Provision Mechanism*).

7.2.2 Transaction Documents.

7.2.2.1 *Breach of Transaction Documents.* The Borrower, the Administrator or AFT fails to comply with any of their respective obligations or undertakings

contained in this Agreement or any other Transaction Document to which it is a party (other than an obligation referred to elsewhere in this Section 7.2 (*Events of Default*)) and, if in the reasonable determination of IDB capable of remedy, such failure has continued for a period of thirty (30) days after such Person becomes aware, or should have become aware, of such failure to comply; provided that no cure period shall apply if, in the reasonable determination of IDB, such failure has had or could reasonably be expected to have a Material Adverse Effect; or

7.2.2.2 *Revocation, Termination or Repudiation of Financing Documents.* Any Financing Document or any of its material terms:

7.2.2.2.1 is revoked, terminated, becomes void or ceases to be in full force and effect;

7.2.2.2.2 becomes, or the performance of or compliance with any obligation thereunder becomes, unlawful; or

7.2.2.2.3 is repudiated by any party thereto or its legality, validity or enforceability is challenged by any Person.

7.2.2.3 *Revocation, Termination or Repudiation of Project Documents.* Any Project Document or any of its material terms:

7.2.2.3.1 is revoked, terminated, becomes void or ceases to be in full force and effect;

7.2.2.3.2 becomes, or the performance of or compliance with any obligation thereunder becomes, unlawful; or

7.2.2.3.3 is repudiated by any party thereto or its legality, validity or enforceability is challenged by any Person;

and any such revocation, termination, voidness, cessation, unlawfulness, repudiation or challenge could reasonably be expected to affect the structure or stability, financial or otherwise, of the Project.

7.2.2.4 *AFT, MTT, CORFO and MH.* Without limitation to other provisions of this Section 7.2.2. (*Transaction Documents*):

7.2.2.4.1 AFT or any other Person acting as Manager or Administrator ceases to exist upon expiration of the AFT and MTT Agreement or any other reason, without (i) the Borrower and the functional permitted successor or assignee to such Person entering into substitute agreements in form and substance satisfactory to IDB and (ii) such functional permitted successor or assignee to such

Person acceding to this Agreement and the other applicable Transaction Documents on terms acceptable to IDB, in each case, within a reasonable time following the occurrence of such event;

- 7.2.2.4.2 CORFO fails to comply with any of its obligations under the Participation Agreement, the PCS, the Additional Participation Agreement or the Additional PCS;
- 7.2.2.4.3 the PCS Regulation or any of its material terms (i) is revoked, terminated, becomes void or ceases to be in full force and effect, (ii) becomes, or the performance of or compliance with any obligation thereunder becomes, unlawful, or (iii) is repudiated by CORFO; or
- 7.2.2.4.4 Any of MTT or MH repudiates any of the undertakings given to IDB in the MTT Letters and the MTT/MH Comfort Letter, as applicable.

7.2.3 *Misrepresentation.* Any representation or warranty confirmed or made by or on behalf of the Borrower, the Administrator, AFT, MTT or CORFO in any Transaction Document to which they are a party to, or in any document delivered thereunder, is found to have been incorrect or misleading in any material respect when confirmed or made unless the condition or event giving rise to such incorrect or misleading representation or warranty has been cured within thirty (30) days after IDB's notice to the Borrower of such finding.

7.2.4 *Expropriation.* Any Authority:

- 7.2.4.1 *Seizure of Property.* condemns, nationalizes, seizes, confiscates or otherwise expropriates all or any substantial part of the Property of the Borrower, the Administrator, AFT, CORFO or the Project, or commences any proceeding in furtherance of any of the foregoing;
- 7.2.4.2 *Control of Property.* assumes custody or control of the Property of the Borrower, the Administrator, AFT or the Project, or the business or operations of the Borrower, the Administrator, AFT or the Project; or
- 7.2.4.3 *Interruption of Business.* takes any action to displace the management of the Borrower, the Administrator, AFT or the Project, or to curtail the Borrower's, the Administrator's, AFT's or CORFO's authority to conduct its business, to dissolve or disestablish the Borrower, AFT, CORFO or the Project, or to prevent the operation of the Project.

7.2.5 *Insolvency Events.*

7.2.5.1 *Involuntary Proceedings.* An involuntary proceeding is commenced or an involuntary petition is filed seeking:

7.2.5.1.1 an adjudication of the Borrower or CORFO as bankrupt or insolvent;

7.2.5.1.2 liquidation, winding up, reorganization, moratorium, arrangement, adjustment or composition of, or other relief in respect of, the Borrower, CORFO or their respective debts, or of a substantial part of their respective Properties under applicable law; or

7.2.5.1.3 the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Borrower or CORFO or of any substantial part of their respective Properties;

and in any such case, such proceeding or petition is not dismissed within ninety (90) days after an order or decree approving or ordering any of the foregoing is entered.

7.2.5.2 *Voluntary Proceedings.* The Borrower, the Administrator, AFT or CORFO:

7.2.5.2.1 voluntarily commences any proceeding or files any petition seeking liquidation, reorganization or other relief under applicable law;

7.2.5.2.2 applies for or consents to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of its or any substantial part of its Properties;

7.2.5.2.3 makes a general assignment for the benefit of creditors;

7.2.5.2.4 requests a moratorium or suspension of payment or reorganization of debts from any competent Authority;

7.2.5.2.5 institutes proceedings or takes any form of corporate action to be liquidated or adjudicated bankrupt or insolvent;

7.2.5.2.6 consents to the institution of, or fails to contest in a timely and appropriate manner, any proceeding or petition described in Section 7.2.5.1 (*Involuntary Proceedings*); or

7.2.5.2.7 takes any action for the purpose of effecting any of the foregoing.

7.2.5.3 *Inability to Pay Debts.* The Borrower or CORFO becomes unable, admits in writing its inability or fails generally to pay its debts as they become due or otherwise becomes insolvent.

7.2.5.4 *Events Analogous to Bankruptcy, Insolvency, Etc.* Any other event occurs that under any applicable law would have an effect analogous to any of those events listed in Section 7.2.5.1 (*Involuntary Proceedings*), 7.2.5.2 (*Voluntary Proceedings*) or 7.2.5.3 (*Inability to Pay Debts*).

7.2.6 *Attachment.* An attachment or analogous process is levied or enforced upon or issued against any of the material Property of the Borrower, CORFO, the PCS Account, or any Account.

7.2.7 *Judgments.* A final judgment, order or arbitral award:

7.2.7.1 for an amount (individually or in the aggregate) in excess of the equivalent of ten thousand Dollars (\$10,000) is rendered against the Borrower or any of its Property;

7.2.7.2 for an amount (individually or in the aggregate) in excess of the equivalent of ten million Dollars (\$10,000,000) is rendered against CORFO or any of its Property;

7.2.7.3 for any amount (individually or in the aggregate) in excess of the equivalent of five hundred thousand Dollars (\$500,000) is rendered against AFT or any of its Property; or

7.2.7.4 that could otherwise reasonably be expected to adversely affect the Project, the Borrower, the PCS or the Additional PCS is rendered against the Borrower or CORFO

is awarded against any of the foregoing Persons and is not paid when required under Applicable Law;

7.2.8 *Material Adverse Effect.* Any other event occurs or any condition exists that, in the reasonable opinion of IDB, has had or reasonably could be expected to have a Material Adverse Effect; provided that, the occurrence of any event or existence of any condition that has or could reasonably be expected to have a material adverse effect solely on the prospects of the Borrower, the Project or CORFO (financial or otherwise) (and not on any of the other matters referred to in the definition of Material Adverse Effect) shall not constitute an Event of Default under this Section 7.2.8.

7.2.9 *Moratorium.* The *Fisco* of Chile or CORFO declares any general payment delay, refusal to pay or acknowledge a payment obligation, repudiation or other action (whether or not formally announced) that relates to debts or any category of debts not to be paid in accordance with their terms.

7.2.10 *IDB Member.* Chile ceases to be an IDB Member or announces its intention to do so.

7.2.11 *Political Violence.* Any event of political violence occurs and has the effect of materially impairing the Project or all or a substantial portion of the Operations or Property of the Borrower.

7.2.12 *DSRA*. At any time, the amount on deposit in the DSRA is less than the Debt Service Reserve Requirement for a period of thirty (30) days.

7.2.13 *Daily Provisions*. At any time, the Daily Provision (as a result of insufficiency of funds in the Accounts) is not transferred into the Borrower or the DSRA in accordance with Schedule 1 (*Project Accounts and Daily Provisions Mechanism*) for more than ten (10) consecutive days, or for an aggregate amount of fifteen (15) days in any calendar month.

7.2.14 *Sustainability Index*. At any time on or after January 1, 2011, the Sustainability Index is less than 1.00:1.00; provided that, in the event that the Sustainability Index is less than 1.00:1.00 due only to the term of any Subsidy Law in effect as of such calculation date expiring on or prior to the date that is twelve (12) months from such calculation date, then such event shall not be an Event of Default on any date falling during the period commencing on such calculation date and ending on the earlier of (i) the date that is eleven (11) months from such calculation date and (ii) the date on which such Subsidy Law ceases, for any reason whatsoever, to be in effect.

7.2.15 *Cessation of Business*. All or a material portion of the Project ceases operation of business for forty five (45) consecutive days.

7.2.16 *Environmental and Social*.

7.2.16.1 The Project or any Environmental Party (except for the Contractors) fails to comply with the Environmental and Social Requirements, any Environmental and Social Provision or any environmental and social requirement in the MTT Comfort Letter and such failure continues for a period of thirty (30) days after such Environmental Party became aware of such non-compliance, or under normal prudent care should have become aware of such non compliance, without such Environmental Party, within such 30 day period, either (i) correcting and remedying all damage and other adverse consequences caused by such non compliance, or (ii) developing and initiating implementation of a Corrective Action Plan, in form and substance satisfactory to IDB, to correct and remedy all damage and other consequences caused by such non compliance within a time schedule acceptable to IDB.

7.2.16.2 Any Contractor undertakes any activity for any Environmental Party in relation to the Project in a manner that is not in accordance with the Environmental and Social Requirements, and such Environmental Party does not as promptly possible: (i) require the relevant Contractor to undertake, as appropriate or necessary, corrective measures to remedy such inconsistency or breach; or (ii) if the relevant Contractor does not implement corrective measures as provided in subclause (i), exercise rights and remedies as it may lawfully be entitled to exercise, to terminate its relation with the relevant Contractor, taking into account fiduciary responsibilities.

7.2.17 *Adverse Rulings.* An adverse ruling challenging the private nature of the Borrower, CORFO's ability to issue a credit support similar to the PCS or the Additional PCS, or such other matters actually affecting or impairing the Borrower's ability to incur Debt or CORFO's ability to support any such Debt, by any Authority (including any award of the Tribunal Constitucional of the Republic of Chile) is issued.

7.2.18 *Failure to Maintain Authorizations.* Any Authorization necessary for the Borrower or any other Material Project Party to perform and observe its material obligations under any Transaction Document to which it is a party is not obtained when required or is rescinded, terminated, lapses or otherwise ceases to be in full force and effect.

7.2.19 *Subsidy Law.* At any time on or after July 1, 2009, a Subsidy Law is not in effect.

7.2.20 *Other Project Events of Default.* Any of the events or circumstances set out in Schedule 11 (*Other Project Events of Default*) occurs and has continued for the relevant cure period specified therein for such event or circumstance or, if no cure period has been specified and if in the reasonable determination of IDB capable of remedy, a period of thirty (30) days.

7.2.21 *PCS Account.* Either (i) on the date that is ten (10) Business Days after the Effective Date, the PCS Account is not funded in an amount at least equal to three hundred and twenty million Dollars (\$320,000,000), or (ii) at any time following the date that is ten (10) Business Days after the Effective Date, the PCS Account is not funded in an amount at least equal to three hundred and twenty million Dollars (\$320,000,000) or such other lesser amount resulting from reductions due to repayments of the Loan from time to time or due to payments made by CORFO under the PCS or the Additional PCS, as applicable, from time to time; provided that it shall be an Event of Default if at any time the PCS Account is not funded in an amount at least equal to eighty percent (80%) of the then outstanding principal amount of the Loan.

7.2.22 *Bus Operators Promissory Notes.* The Bus Operators Promissory Notes are not repaid in full on or prior to June 20, 2008.

Section 7.3 Bankruptcy.

Notwithstanding any provision in this Agreement to the contrary, if any event described in Section 7.2.5.1 (*Involuntary Proceedings*) or Section 7.2.5.2 (*Voluntary Proceedings*) occurs or any other event occurs that under any applicable law would have an effect analogous to any of the events listed in Section 7.2.5.1 (*Involuntary Proceedings*) or Section 7.2.5.2 (*Voluntary Proceedings*), the Borrower's right to request, and any obligation of IDB to make, Disbursements shall automatically terminate, and the principal of the Loan then outstanding, together with accrued interest thereon and all fees and other Obligations outstanding, shall automatically become immediately due and payable, without any presentment, demand, protest or notice of any kind, all of which the Borrower hereby waives.

ARTICLE 8

MISCELLANEOUS

Section 8.1 Notices.

Any notice, request, demand or other communication to be given or made under this Agreement shall be in writing. Subject to Section 8.10.4 (*Applicable Law and Jurisdiction*) any notice, request, demand or other communication may be delivered by hand, prepaid certified or registered airmail, internationally recognized courier service, or facsimile to the party's address specified below or at such other address as such party shall have designated by notice to the party giving or making such notice, request, demand or other communication, and shall be effective upon receipt. All time periods to be counted from the delivery of any notice, request, demand or other communication pursuant to this Agreement shall be counted from the date of receipt of any such notice, request, demand or other communication pursuant to the terms of this Section 8.1.

For the Borrower:

CUENTA ESPECIAL DE REEMBOLSO

c/o Administrator Financiero de Transantiago S.A.
Miraflores 383, piso 19
Comuna y Ciudad de Santiago, Chile
Attention: Enrique Mendes Velasco
Alternative address for communications by facsimile:
Facsimile: +56 (2) 685-4260

For the Administrator:

ADMINISTRADOR FINANCIERO DE TRANSANTIAGO S.A.

c/o Administrator Financiero de Transantiago S.A.
Miraflores 383, piso 19
Comuna y Ciudad de Santiago, Chile
Attention: Enrique Mendes Velasco
Alternative address for communications by facsimile:
Facsimile: +56 (2) 685-4260

For AFT:

ADMINISTRADOR FINANCIERO DE TRANSANTIAGO S.A.

c/o Administrator Financiero de Transantiago S.A.
Miraflores 383, piso 19
Comuna y Ciudad de Santiago, Chile
Attention: Enrique Mendes Velasco
Alternative address for communications by facsimile:

Facsimile: +56 (2) 685-4260

For IDB:

Inter-American Development Bank

1300 New York Avenue, N.W.

Washington D.C. 20577

Attention: Manager and Portfolio Management Unit, Structured and Corporate Finance Department

Alternative address for communications by facsimile:

Facsimile: +1 (202) 312-4135 and (202) 312-4122

Section 8.2 English Language.

IDB may, if it so requires, require the Borrower to translate any of the Financing Documents from English to Spanish and the Borrower shall comply with such request within thirty (30) days.

Section 8.3 Indemnity.

8.3.1 The Borrower shall indemnify and hold harmless IDB, together with its respective officers, directors, agents, employees, representatives, attorneys, Affiliates, successors and assigns (collectively, the ***Indemnified Persons***) from and against any and all claims, actions, suits, judgments, demands, damages (including foreseeable and unforeseeable compensatory damages), losses, liabilities (including liabilities for penalties), reasonable costs or expenses of any nature or kind whatsoever, including reasonable fees and disbursements of counsel on a full indemnity basis, arising out of or in connection with:

- 8.3.1.1 the execution, delivery, enforcement or performance of, and any transaction contemplated under, this Agreement or any of the other Financing Documents;
- 8.3.1.2 the Loan or the use or intended use of the proceeds therefrom;
- 8.3.1.3 any actual or alleged presence or Release of Hazardous Materials on or from any Property owned or operated by any Environmental Party, any Environmental Claim, any failure by any Environmental Party to comply with any Environmental and Social Provision or any other Environmental or Social Matter relating in any way to any Environmental Party; or
- 8.3.1.4 any actual or prospective claim, action, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnified Person is a party thereto (all of the foregoing, collectively, the ***Indemnified Liabilities***);

provided that, the Borrower shall have no obligation hereunder to any such Indemnified Person with respect to Indemnified Liabilities arising from the gross negligence or willful misconduct of any such Indemnified Person as determined by the final judgment of a court of competent jurisdiction.

8.3.2 The rights granted under this Section 8.3 are in addition to the rights granted under any other provision of this Agreement, under any other Financing Document or otherwise.

8.3.3 This Section 8.3 shall survive repayment of the Obligations.

8.3.4 All amounts payable to any Indemnified Person under this Section 8.3 shall be paid within thirty (30) days after receipt by the Borrower from such Indemnified Person of a reasonably detailed invoice therefor.

Section 8.4 Successors and Assigns.

This Agreement binds and benefits the respective successors and assigns of the parties, except that neither the Borrower, the Administrator nor AFT may assign or delegate any of their respective rights or obligations under this Agreement or any other Financing Document without the prior written consent of IDB. IDB may assign to one or more banks or other entities all or a portion of all of its rights and obligations under this Agreement and the other Financing Documents; provided that any such assignment by IDB shall be made in accordance with the letter dated on the Effective Date issued by IDB to MTT.

Section 8.5 Counterparts.

This Agreement may be executed in several counterparts, each of which is an original, but all of which together shall constitute one and the same agreement.

Section 8.6 Information Disclosure.

8.6.1 IDB may disclose any documents or records of, or information relating to, the Borrower, the Administrator, AFT, the Project and each of their Property, Operations or business or affairs (collectively, the *Borrower's Information*) to:

- 8.6.1.1 any existing or future co-lenders of IDB or any other Person with a participation in or who intends to purchase a participation in a portion of Loan;
- 8.6.1.2 any Person in connection with the exercise of any power, remedy, right, authority or discretion relevant to this Agreement or any other Financing Document (including in connection with IDB's defense of any legal action, suit or proceeding brought by any other party to a Financing Document);
- 8.6.1.3 any Person, to the extent required to do so under any applicable law;
- 8.6.1.4 any banking or other regulatory or examining authorities (whether governmental or otherwise) pursuant to and in accordance with whose instructions it and other banks must customarily comply;
- 8.6.1.5 the directors, officers, employees, arrangers, co-lenders, attorneys, consultants, rating agencies, independent auditors and advisors (including the Consultants and any other technical, financial and other advisors) of each of IDB, the Inter-

American Investment Corporation, the Multilateral Investment Fund, and their respective Affiliates; and

8.6.1.6 any Person in connection with any proposed sale, transfer, assignment or other disposition of IDB's rights under this Agreement or any other Financing Document.

8.6.2 The Borrower expressly authorizes IDB to request from any Person information relating to the Borrower and the Borrower agrees to hold IDB harmless and exempt from any and all liability under applicable law in connection with the request for, and disclosure of, such information.

8.6.3 The Borrower acknowledges and agrees that, notwithstanding the terms of any other agreement between the Borrower and IDB, a disclosure of Borrower's Information by IDB in the circumstances contemplated by this Section 8.6 (*Confidential Information*) does not violate any duty owed to the Borrower under this Agreement or under any such other agreement.

Section 8.7 Amendments.

Any amendment or waiver of, or any consent given under, any provision of this Agreement shall be in writing and, in the case of any amendment, signed by all parties hereto or their permitted successors and assigns. Notwithstanding anything herein to the contrary, all parties hereto hereby acknowledge and agree that no such amendment or waiver (except for waivers relating to the fulfilment of the conditions to any Disbursement) shall have valid for any purpose hereunder unless the previous written consent from CORFO to the granting of such amendment or waiver has been obtained in accordance with the PCS Regulation and a copy thereof has been delivered to IDB.

Section 8.8 Savings of Rights; Remedies and Waivers.

8.8.1 The rights and remedies of IDB in relation to any misrepresentation or breach of warranty on the part of the Borrower, the Administrator or AFT shall not be prejudiced by any investigation by or on behalf of IDB into the affairs of the Borrower, the Administrator or AFT, by the execution or the performance of this Agreement or by any other act or thing that may be done by or on behalf of IDB in connection with this Agreement and that might, apart from this Section, prejudice such rights or remedies.

8.8.2 No course of dealing or waiver by IDB in connection with any condition of Disbursement under this Agreement shall impair any right, power or remedy of IDB with respect to any other condition of Disbursement, or be construed to be a waiver thereof; nor shall the action of IDB with respect to any Disbursement affect or impair any right, power or remedy of IDB with respect to any other Disbursement.

8.8.3 Unless IDB otherwise notifies the Borrower and without prejudice to the generality of Section 8.8.2, the right of IDB to require compliance with any condition under this Agreement that may be waived by IDB with respect to any Disbursement is expressly preserved for the purposes of any subsequent Disbursement.

8.8.4 No course of dealing and no failure or delay by IDB in exercising, in whole or in part, any power, remedy, discretion, authority or other right under this Agreement or any other agreement shall waive or impair, or be construed to be a waiver of or an acquiescence in, such or any other power, remedy, discretion, authority or right under this Agreement, or in any manner preclude its additional or future exercise; nor shall the action of IDB with respect to any Default, or any acquiescence by it therein, affect or impair any right, power or remedy of IDB with respect to any other Default.

Section 8.9 Severability.

Any provision hereof that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining terms and conditions hereof and without affecting the validity or enforceability of any provision in any other jurisdiction. Where terms of any applicable law resulting in such prohibition or unenforceability may be waived, they are waived by the parties to the full extent permitted by law so that this Agreement shall be deemed a valid and binding agreement, enforceable in accordance with its terms.

Section 8.10 Applicable Law and Jurisdiction.

8.10.1 This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

8.10.2 Each of the Borrower, the Administrator and AFT hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States of America District Court for the Southern District of New York, and any appellate court from any thereof, in any legal action, suit or proceeding arising out of or relating to this Agreement or any other Financing Document to which the Borrower, the Administrator or AFT is a party. Final judgment against the Borrower, the Administrator or AFT in any such legal action, suit or proceeding shall be conclusive and may be enforced in any other jurisdiction including Chile by suit on the judgment, a certified or exemplified copy of which shall be conclusive evidence of the judgment, or in any other manner provided by law.

8.10.3 Nothing in this Agreement shall affect the right of IDB to commence legal proceedings or otherwise sue the Borrower, the Administrator and AFT in Chile or any other appropriate jurisdiction, or concurrently in more than one jurisdiction, or to serve process, pleadings and other legal papers upon the Borrower, the Administrator and AFT in any manner authorized by the laws of any such jurisdiction.

8.10.4 By the execution and delivery of this Agreement, each of the Borrower, the Administrator and AFT hereby irrevocably agrees to designate, appoint and empower CT Corporation System, with offices at 111 Eighth Avenue, 13th Floor, New York, N.Y. 10011, as its authorized agent solely to receive for and on its behalf service of summons or other legal process in any legal action, suit or proceeding in any court specified in Section 8.10.2.

8.10.5 Each of the Borrower, the Administrator and AFT shall, for so long as this Agreement is in effect, maintain a duly appointed and authorized agent in New York, New York to receive for an on its behalf service of summons, complaint or other legal process in any legal action, suit or proceeding IDB may bring in the State of New York in respect of this Agreement or any other Financing Document to which the Borrower, the Administrator or AFT is a party and shall keep IDB advised of the identity and location of such agent.

8.10.6 Each of the Borrower, the Administrator and AFT further irrevocably consents, if for any reason there is no authorized agent for service of process in New York, New York, to the service of process being made out of the courts referred to in Section 8.10.2 by mailing copies thereof by registered United States of America air mail, postage prepaid, to the Borrower, the Administrator or AFT, as applicable, at its address specified in Section 8.1 (*Notices*), and in such a case IDB shall also send by facsimile, or have sent by facsimile, a copy of such process to the Borrower, the Administrator or AFT, as applicable.

8.10.7 Service of process in the manner provided in this Section 8.10 in any action, suit or proceeding shall be deemed personal service and accepted by the Borrower, the Administrator and AFT as such and shall be valid and binding upon the Borrower, the Administrator and AFT for all the purposes of any such action suit or proceeding.

8.10.8 Each of the Borrower, the Administrator and AFT irrevocably waives, to the fullest extent permitted by applicable law:

- 8.10.8.1 any objection that it may now or hereafter have to the laying of venue of any action, suit or proceeding brought in any court referred to in this Section;
- 8.10.8.2 any claim that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum; and
- 8.10.8.3 its right of removal of any matter commenced by IDB in the courts of the State of New York to any court of the United States of America.

8.10.9 To the extent that either the Borrower, the Administrator or AFT may, in any action, suit or proceeding brought in any of the courts referred to in Section 8.10.2, any court of Chile or elsewhere arising out of or in connection with this Agreement or any other Financing Document to which the Borrower, the Administrator or AFT is a party, be entitled to the benefit of any provision of law requiring IDB in such action, suit or proceeding to post security for the costs of the Borrower, the Administrator or AFT or to post a bond or to take similar action, as the case may be, each of the Borrower, the Administrator and AFT hereby irrevocably waives such benefit, in each case to the fullest extent now or hereafter permitted under the laws of Chile or, as the case may be, the other jurisdiction in which such court is located.

8.10.10 To the extent that either the Borrower, the Administrator or AFT may be entitled in any jurisdiction to claim for itself or its Property immunity in respect of its obligations under this Agreement or any other Financing Document to which the Borrower, the Administrator or AFT is a party from any suit, execution, attachment (whether provisional or final, in aid of execution, before

judgment or otherwise) or other legal process or to the extent that in any jurisdiction that immunity (whether or not claimed) may be attributed to it or its Property, each of the Borrower, the Administrator and AFT irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted now or in the future by the laws of such jurisdiction.

8.10.11 Each of the Borrower, the Administrator and AFT hereby acknowledges that IDB shall be entitled under applicable law, including the terms of the International Organizations Immunities Act of 1945 (22 U.S.C. §288), to immunity from a trial by jury in any action, suit or proceeding arising out of or relating to this Agreement or any other Financing Document to which the Borrower, the Administrator or AFT is a party or the transactions contemplated hereby or thereby, brought against IDB in any court of the United States of America. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE BORROWER, THE ADMINISTRATOR AND AFT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT TO WHICH THE BORROWER, THE ADMINISTRATOR OR AFT IS A PARTY OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, AND FOR ANY COUNTERCLAIM THEREON, BROUGHT BY OR AGAINST IDB IN ANY FORUM IN WHICH IDB IS NOT ENTITLED TO IMMUNITY FROM TRIAL BY JURY.** Each of the Borrower, the Administrator and AFT agrees that the waivers set forth above shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States of America (28 U.S.C. §§1602-1611) and are intended to be irrevocable and not subject to withdrawal for purposes of such Act.

Section 8.11 Arbitration

8.11.1 Without limiting any other rights or remedies afforded to IDB under this Agreement, at IDB's option, any dispute, controversy or claim arising out of or relating to this Agreement (each a *Dispute*) that cannot be settled amicably shall be finally and conclusively settled by arbitration under the Rules of Arbitration (the *ICC Rules*) of the International Chamber of Commerce (*ICC*). The arbitral award shall be final and binding. The parties expressly waive their right to any form of appeal or recourse from or against such arbitral proceedings or arbitral award to any judicial authority, except as provided by the Federal Arbitration Act of the United States of America and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards of June 10, 1958. Judgment on any arbitral award rendered as provided in this Section may be entered by any court having jurisdiction. No other Person may be joined as a party to the arbitration, except as all parties to the arbitration shall agree in writing.

8.11.2 Each arbitral tribunal shall consist of three arbitrators (each of whom shall be fluent in English), two of whom shall be nominated by the respective parties (the *Party-Nominated Arbitrators*) and the third, who shall be the chairman of the arbitral tribunal, by the two Party-Nominated Arbitrators within thirty (30) days of the last of their nominations. The party initiating the arbitration (the *Initiating Party*) shall nominate an arbitrator in its request for arbitration. The responding party (the *Respondent*) shall nominate an arbitrator within thirty (30) days of its receipt

of the request and shall notify the Initiating Party of such nomination in writing. If the Respondent fails to nominate an arbitrator within such thirty (30) day period, the ICC Court of International Arbitration (the **Court**) shall forthwith make the appointment on behalf of the Respondent. The chairman of the arbitral tribunal shall be designated by the Court in the absence of agreement upon a chairman between the two Party-Nominated Arbitrators within thirty (30) days of the nomination of the second such arbitrator. The provisions of paragraphs 3 to 6 inclusive of Article 9 of the ICC Rules shall not apply to any appointment made by the Court under this Section.

8.11.3 Unless otherwise agreed by the parties to the arbitration, the place of arbitration shall be in New York, New York, United States of America. The language of the arbitration and all pleadings, written statements, documents and decisions shall be English. Any award shall be made and paid in Dollars.

8.11.4 The arbitral tribunal shall not be authorized to award punitive damages. The parties waive, to the maximum extent not prohibited by law, any right they may have to claim or recover in any arbitration or in any legal proceeding of any kind whatsoever any award for punitive, exemplary or similar damages.

8.11.5 Prior to the rendition of the arbitral award, but subject to the following sentence and subsection 8.11.8 below, either party to the arbitration proceedings may apply to the arbitral tribunal or to a court of competent jurisdiction for provisional or interim measures available under applicable law. The arbitral tribunal shall not be authorized to order, and neither the Borrower nor AFT shall be authorized to seek from any judicial authority, any interim or conservatory measures or pre-award relief against IDB.

8.11.6 The arbitrators shall establish the liability of the parties as to the costs incurred by the parties in the award (including legal and other professional consultant's fees).

8.11.7 The arbitrators shall make every effort to conduct the proceeding and to prepare their award in such a manner as to render the award enforceable at law.

8.11.8 Notwithstanding anything to the contrary set forth in this Section 8.11, each of the Borrower, the Administrator and AFT acknowledges and agrees that neither this Section nor the submission by IDB to arbitration shall constitute a waiver either before the arbitral tribunal or before any Authority or court of law of any of IDB's privileges and immunities set forth in the Agreement Establishing the Inter-American Development Bank or under applicable law, including without limitation:

- (i) the immunity of all property and assets of IDB from all forms of seizure, attachment or execution before the delivery of final judgment against IDB;
- (ii) the immunity of all property and assets of IDB from search, requisition, confiscation, expropriation or any other form of taking or foreclosure by executive or legislative action;
- (iii) the inviolability of IDB's archives; and

(iv) the freedom of IDB's property and assets from restrictions of any nature.

Section 8.12 Term of Agreement.

This Agreement shall continue in force until the date on which IDB is satisfied that all amounts outstanding under the Financing Documents have been indefeasibly paid and discharged in full and the Borrower has no right to request, and IDB is under no obligation to make, any further Disbursement.

Section 8.13 Set-Off.

In addition to any rights and remedies of IDB provided by applicable law, IDB shall have the right, without prior presentment, demand, protest or notice to the Borrower, any such presentment, demand, protest or notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any Obligation becoming due and payable by the Borrower (whether at the stated maturity, by acceleration or otherwise), to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by IDB to or for the credit of the Borrower. IDB shall promptly notify the Borrower after it makes any such set-off and application; provided that, failure to give such notice shall not affect the validity of such set-off and application.

Section 8.14 Entire Agreement.

This Agreement and the other Financing Documents represent the final and complete agreement of the parties hereto with respect to the Project, and all prior negotiations, representations, understandings, writings and statements of any nature with respect thereto are hereby superseded in their entirety by the terms of this Agreement and the other Financing Documents.

Section 8.15 No Third Party Beneficiaries.

The agreement of IDB to make the Loan to the Borrower on the terms and conditions set forth in this Agreement and the other Financing Documents is solely for the benefit of the Borrower, and no other Person shall have any rights hereunder against IDB with respect to the Loan, the proceeds thereof or otherwise.

Section 8.16 Waiver and Estoppel.

Each of the Borrower, the Administrator and AFT waives, to the extent permitted by applicable law, presentment, demand, protest and notice of any kind (except notices explicitly required hereunder or under any other Financing Document) in connection with this Agreement and the other Financing Documents.

Section 8.17 Survival.

All representations and warranties made in this Agreement, in any other Financing Document and in any document, certificate or statement delivered pursuant hereto or in connection herewith and Sections 3.10 (*Judgment Currency*), 3.13 (*Taxes*), 3.14 (*Costs, Expenses and Losses*), 3.18 (*Increased Costs*), 3.20 (*Reimbursement of Expenses*), 8.3 (*Indemnity*), 8.6 (*Confidential Information*) and 8.10 (*Applicable Law and Jurisdiction*) and any related provisions of Article 1 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment in full or expiration or termination of the Loan or the termination of this Agreement or any other Financing Document or any provision hereof or thereof.

Section 8.18 Concerning Administrador Financiero de Transantiago S.A.

Administrador Financiero de Transantiago S.A. is executing this Agreement in its three separate capacities: (i) solely on behalf of the Borrower in its capacity as Manager of the Borrower (without any liability of AFT or the Administrator to IDB or any other Person, and without recourse of any kind whatsoever by IDB or any other Person to AFT or the Administrator), (ii) in respect of the Accounts, solely in its capacity as their Administrator pursuant to the AFT and MTT Agreement, subject to its power and authority in such capacity to take the actions required thereby in respect of the Accounts (without any liability of AFT or the Administrator to IDB or any other Person, and without recourse of any kind whatsoever by IDB or any other Person to AFT or the Administrator) and (iii) solely in its individual capacity as AFT only for the purposes of Sections 4.3 (*AFT's Representations and Warranties*) and 6.7 (*AFT's Information Covenants*). Each of the foregoing capacities is understood and agreed to be separate and independent (and not joint and several), and in no case should AFT or the Administrator be liable to IDB or any other Person for any Obligation, or other obligations or liability of the Borrower under the Transaction Documents, all of which IDB hereby acknowledges and agrees are solely obligations of the Borrower, without any liability of, or recourse to, AFT and the Administrator. Furthermore, IDB agrees that AFT and the Administrator (or any of their shareholders, directors, officers, employees, agents or advisors) shall not be personally responsible or liable to IDB or any other Person for any representation, warranty, covenant or other determination made or action taken by it, or any Default or Event of Default, in connection with or pursuant to any Financing Document, or for any other obligation of AFT, the Administrator or the Borrower under the Financing Documents, other than the Administrator or AFT to the extent of its gross negligence or wilful misconduct in respect of its representations, warranties or covenants or other express obligations under this Agreement (as determined by a court of competent jurisdiction in a final-non-appealable judgment)

Section 8.19 Liability.

To the fullest extent permitted by applicable laws, each party hereto shall not assert, and hereby waives, any claim against any other party on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Financing Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Loan or the use of the proceeds thereof.

IN WITNESS WHEREOF, the parties, acting through their duly Authorized Representatives, have caused this Agreement to be signed in their respective names, as of the date first above written.

CUENTA ESPECIAL DE REEMBOLSO

By: _____
Administrador Financiero de Transantiago S.A.,
in its capacity as Manager
Name:
Title:

ADMINISTRADOR FINANCIERO DE TRANSANTIAGO S.A., in its capacity as the Administrator

By: _____
Name:
Title:

ADMINISTRADOR FINANCIERO DE TRANSANTIAGO S.A., in its individual capacity

By: _____
Name:
Title:

INTER-AMERICAN DEVELOPMENT BANK

By: _____
Name:
Title:

SCHEDULE 1

PROJECT ACCOUNTS AND DAILY PROVISION MECHANISM

(See Section 6.1.1 (*Use of Proceeds*) of this Agreement)

1. PROJECT ACCOUNTS

The following accounts set forth below have been established with BANCO DEL ESTADO. Banking Account #2, Banking Account #6 and Banking Account #6 Dollar Account have been established in the name of the Administrator. The CER (Borrower) Account and CER (Borrower) Dollar Account have been established in the name of the Borrower.

Account Name	Account No.
Banking Account #2	N° 170623
Banking Account #6	N° 470996
Banking Account #6 Dollar Account	N° 0010827266
CER (Borrower) Account	N° 120898
CER (Borrower) Dollar Account	N° 00108027177

2. DEPOSITS TO AND TRANSFERS FROM ACCOUNTS

2.1 Banking Account #6

- 2.1.1 **Deposits into Banking Account #6 Dollar Account.** The Administrator shall cause the proceeds of any Disbursement of the Loan to be deposited into a segregated Dollar sub-account of Banking Account #6 (the "**Banking Account #6 Dollar Account**").
- 2.1.2 **Deposits into Banking Account #6.** The Administrator shall, within one (1) Business Day of receipt, deposit the proceeds of any Subsidy Amounts and proceeds of any other monies or revenues of the Borrower from any source whatsoever (other than proceeds to be deposited into Banking Account #6 Dollar Account pursuant to Section 2.1.1 of this Schedule 1) into Banking Account #6.
- 2.1.3 **Transfers from Banking Account #6 Dollar Account.** Upon receipt of written instructions from MTT, the Administrator shall withdraw from Banking Account #6 Dollar Account and make all transfers set forth in such instruction in the amounts and dates specified therein.

2.1.4 **Transfers from Banking Account #6.** Upon receipt of written instructions from MTT, the Administrator shall withdraw from Banking Account #6 and make all transfers set forth in such instruction in the amounts and dates specified therein.

2.2 **Banking Account #2**

2.2.1 **Deposits to Banking Account #2.** The Administrator shall, within one (1) Business Day of receipt, deposit into Banking Account #2:

- (i) all transfers from Banking Account #6 pursuant to Section 2.1.2 of this Schedule 1; and
- (ii) all Project Revenues.

2.2.2 **Transfers from Banking Account #2.** The Administrator shall, on each Business Day, make the following withdrawals and transfers from Banking Account #2 in the following order of priority:

- (a) *first*, to the CER (Borrower) Account, an amount equal to the portion of the aggregate Daily Provision (including without limitation the Daily Shortfall Provision Balance) accruing since the date of the immediately preceding Business Day; provided that, to the extent the Administrator determines that the amount of the Daily Provision should be adjusted upwards to comply with any other provision of this Agreement, the Administrator shall be entitled to withdraw and transfer from Banking Account #2 to the CER (Borrower) Account an amount equal to the portion of the aggregate Daily Provision so adjusted; and
- (b) *second*, if a positive balance exists in Banking Account #2 following the withdrawal and transfer on such Business Day of the amounts described in Sections 2.2.2(a) of this Schedule 1, withdraw and transfer such remaining balance to make Approved Payments.

2.3 **CER (Borrower) Account.**

2.3.1 **Deposits into CER (Borrower) Account.** The Administrator shall, on each Business Day, make deposits into the CER (Borrower) Account in accordance with Section 2.2.2(a) of this Schedule 1.

2.3.2 **Transfers into the CER (Borrower) Dollar Account.** Within one (1) Business Day of receipt of any amount of the Daily Provision, the Administrator shall transfer the portion of such funds constituting the Peso Equivalent of the IDB Daily Provision to a segregated Dollar sub-account of the CER (Borrower) Account (the "**CER (Borrower) Dollar Account**") to purchase either Dollars or Permitted Dollar Investments. Such Dollars or Permitted Dollar Investments shall be credited to the CER (Borrower) Dollar Account and shall be used solely to make the payments to

IDB envisaged in Section 2.3.3(a)(2) (but only to the extent such fees or expenses are payable in Dollars), Section 2.3.3(a)(3) and Section 2.3.3(a)(4) of this Schedule 1.

2.3.3 **Transfers from CER (Borrower) Account.**

- (a) All funds on deposit in the CER (Borrower) Account, including the CER (Borrower) Dollar Account, shall be applied by the Borrower on each Interest Payment Date or Loan Repayment Date and on each Business Day on which (i) an Event of Default under Section 7.2.1.1 has occurred and is continuing or (ii) a Daily Unpaid Amount Provision exists due to any payments of the type contemplated in Section 2.3.3(a)(1), Section 2.3.3(a)(2) and Section 2.3.3(a)(3) of this Schedule 1 not being fully paid (any such date being hereafter referred to as a "**Transfer Date**") in the following order of priority:
- (1) *first*, to Banco del Estado, for payment of Debt Service due under the Banco del Estado Loan Agreement on such Transfer Date;
 - (2) *second*, to any Person who has delivered an invoice to the Borrower for fees or expenses due under this Agreement during the full calendar month preceding such Transfer Date;
 - (3) *third*, and first applying the balance of the CER (Borrower) Dollar Account prior to using any funds in the CER (Borrower) Account, to IDB, for payment of Debt Service due under this Agreement on such Transfer Date;
 - (4) *fourth*, to the Collateral Trustee, for deposit in the DSRA, the amount determined in Section 2.4.1 (*Deposits into the DSRA*) of this Schedule 1; and
 - (5) *fifth*, to any Person providing Permitted Debt under Section 6.2.1.4, for payment of Debt Service due in respect of such Permitted Debt.
- (b) On the first Business Day of every calendar month, before making the transfers described at Section 2.3.3(c) of this Schedule 1, transfer to the DSRA the amounts required pursuant to Section 2.4 of this Schedule 1.
- (c) On the first Business Day of every calendar month (a "**GOC Payment Transfer Date**"), funds on deposit in the CER (Borrower) Account, excluding any in the CER (Borrower) Dollar Account, shall be transferred by the Borrower to the Government of Chile for payments of Debt Service due under the Government of Chile Reimbursement Agreement on such GOC Payment Transfer Date if the following conditions are met:

- (1) on such GOC Payment Transfer Date, the balance in the CER (Borrower Account) is in excess of the aggregate Daily Provision which has accrued since the immediately preceding Transfer Date under this Section 2.3.3, including the Daily Provision which accrues on that GOC Payment Transfer Date (the amount of such excess being the "**Excess Amount**"); and
- (2) such payment to the Government of Chile is not more than such Excess Amount (regardless of how much is due and payable to the Government of Chile on such date).

2.4 **DSRA.**

2.4.1 **Deposits into the DSRA**

The Borrower shall on each Transfer Date and on the first Business Day of every calendar month transfer to the Collateral Trustee, for deposit in the DSRA, in accordance with Section 2.3.3(a) (*Transfers from CER (Borrower Account)*) of this Schedule 1, an amount equal to the sum of:

- (1) the portion of the aggregate Daily Provision accruing since the date of the immediately preceding Transfer Date which represents the Daily DSRA Provision and the Daily DSRA Shortfall Provision; *plus*
- (2) in the event of any prior insufficiencies under this Section 2.4.1(2) of this Schedule 1, the aggregate (only if positive) of any deferred amounts on such Business Day which are allocable to the elements of the Daily Provision referred to in Section 2.4.1 (1) of this Schedule 1;

provided, however, that to the extent the balance in CER (Borrower) Account on any Business Day is insufficient to make any transfer required under sub-sections (1) and (2) above on such Business Day to the DSRA, the amount of any such insufficiency shall be added to the Daily Shortfall Provision Balance.

2.4.2 **Transfers out of the DSRA**

All funds on deposit in the DSRA shall be applied by the Collateral Trustee in accordance with the terms of the Securities Accounts Administration and Control Agreement, as follows:

- (1) to the extent that on any Interest Payment Date, the funds on deposit in the CER (Borrower) Dollar Account or, if applicable, the CER (Borrower) Account are insufficient to pay any amount of interest or principal accruing owing in relation to the IDB Loan, having applied the priorities set out in Section 2.3.3 (*Transfers from CER (Borrower Account)*) of this Schedule 1 (*Project Accounts and Daily Provision*)

Mechanism), the Collateral Trustee shall pay to IDB on such Interest Payment Date any such amount not paid from the CER (Borrower) Account in accordance with Section 2.3.3 (*Transfers from CER (Borrower) Account*) of this Schedule 1 (*Project Accounts and Daily Provision Mechanism*);

- (2) on any day when the balance of the DSRA is at least equal to (a) the outstanding principal amount of the Loan plus (b) the projected interest payable in the succeeding one month period (calculated assuming that the interest rate in effect on such date will apply during such period), and upon delivery by the Borrower of a Full Prepayment Notice in accordance with Section 5.2(e) of the Securities Accounts Administration and Control Agreement, the Collateral Trustee shall apply the balance of the DSRA on the next succeeding Interest Payment Date to prepay Loan in full and to pay all accrued interest and other amounts owing to IDB under the Financing Documents on the date of such prepayment; and
- (3) if, on any Interest Payment Date, after giving effect to payments, if any, under Section 2.4.2(1), a balance remains in the DSRA; or on any such date commencing on April 15, 2011, the balance held in the DSRA is in excess of the Debt Service Reserve Requirement, after all Monthly DSRA Provisions required for every month for which a Monthly DSRA Provision exists have been funded (such remaining balance or excess amount, the "**Excess DSRA Amount**"), the Collateral Trustee shall transfer the Excess DSRA Amount to Banking Account #6 Dollar Account.

SCHEDULE 2
IDB ENVIRONMENTAL AND SOCIAL GUIDELINES

IDB Policy on Environment and Safeguard Compliance (dated January 2006), available at:

<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=665902> (English Version) and
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=665905> (*Versión en Español*)

IDB Policy on Involuntary Resettlement (dated August 1998), available at:

http://www.iadb.org/exr/pic/VII/op_710.cfm?language=English (English Version) and
http://www.iadb.org/exr/pic/VII/op_710.cfm?language=Spanish&Id=&PAM=&lang=S
(*Versión en Español*)

SCHEDULE 3
RELEVANT PERMITS

(See Section 4.1.4 (*Relevant Permits*) of this Agreement)

Section 1. Permits already obtained.

- (a) *decreto supremo* from MTT and MH, pursuant to Chilean Law N° 20.206, duly executed and delivered and legally binding;
- (b) the relevant *decreto supremo* or *resolución*, as applicable, authorizing (a) the funding of the PCS Account for the benefit of IDB in an amount not less than three hundred and twenty million Dollars (\$320,000,000) and (b) CORFO's issuance of the PCS for the benefit of IDB and the Loan and the execution of the transactions contemplated herein;
- (c) any required authorizations or approvals from the *Contraloría General de la República*; and
- (d) the consent of each Bus Operator with respect to the Loan.

Section 2. Permits to be obtained prior to first Disbursement.

- (a) Filing with the Central Bank of Chile with respect to the financial terms and conditions of the Loan pursuant to Chapter XIV of the Chilean Compendium of Rules on Foreign Exchange.

Section 3. Permits to be obtained prior to any Disbursement occurring on any date that is twelve (12) months after the date of the Participation Agreement.

- (a) The relevant *decreto supremo* or *resolución*, as applicable, authorizing CORFO's issuance of the Additional PCS for the benefit of IDB and the Loan and the execution of the transactions contemplated herein.

SCHEDULE 4
MEMBER COUNTRIES OF IDB

Argentina	Israel
Austria	Italy
Bahamas	Jamaica
Barbados	Japan
Belgium	Republic of Korea
Belize	Mexico
Bolivia	Netherlands
Brazil	Nicaragua
Canada	Norway
Chile	Panama
Colombia	Paraguay
Costa Rica	Peru
Croatia	Portugal
Denmark	Slovenia
Dominican Republic	Spain
Ecuador	Suriname
El Salvador	Sweden
Finland	Switzerland
France	Trinidad and Tobago
Germany	United Kingdom
Guatemala	United States of America
Guyana	Uruguay
Haiti	Venezuela
Honduras	

SCHEDULE 5
LIABILITIES

(See Section 4.1.10 (*Financial Statements*) of this Agreement)

Banco del Estado Loan

Government of Chile Loan

SCHEDULE 6
EXISTING PROCEEDINGS

(See Section 4.1.7 (*Litigation*) of this Agreement)

I.- MULTAS Y PROCESOS ADMINISTRATIVOS.

1.- RES. 2124

CARGO: “Incumplimiento del estándar de disponibilidad del equipamiento a bordo de buses.”

Con fecha 5 de noviembre de 2007, se nos notifica Resolución Exenta N° 2124, de 2 de noviembre de 2007, mediante la cual se nos formula el cargo.

Con fecha 9 de noviembre de 2007, el AFT formula los descargos.

Con fecha 12 de diciembre se nos notifica Res Ex N°2328, que concede término probatorio de 10 días.

Con fecha 19 de diciembre de 2007 se presentó Recurso de Reposición y Jerárquico en contra de la Res Ex N° 2328, por cuanto niega la inspección personal del tribunal.

Con fecha 27 de diciembre de 2007 se acompañaron documentos en el término probatorio concedido.

Con fecha 11 de enero de 2008, se nos notifica Res Ex N°81, que rechaza la reposición solicitada y pasa al MTT para resolver sobre el recurso jerárquico.

Con fecha 16 de enero de 2008, se nos notifica Res Ex N°97, que aplica multa al AFT por 22.500 UF.

Con fecha 22 de enero de 2008, se presentó recursos de reposición y jerárquico en contra de la Res Ex. N°97.

Con fecha 12 de marzo de 2008, se nos notifica Res Ex N°392 de fecha 22 de febrero de 2008, que rechaza el recurso jerárquico presentado en contra de la Res Ex. N°2328, por la negativa a conceder la inspección personal del tribunal.

Con fecha 18 de abril de 2008 se nos notificó la Res Ex N° 469 de fecha 5 de marzo de 2008, mediante la que se rechazó el escrito presentado por el AFT el 22 de enero de 2008 por no haber sido suscrito por el Gte Gral.

Con fecha 25 de abril se presentó Recurso de Reposición y Jerárquico en subsidio en contra de la resolución N°469 anterior. Asimismo se presentó un escrito en que el gte gral ratifica todo lo obrado por el gte de finanzas.

ESTADO ACTUAL: Para resolución final del MTT.

2.- RES. 2310

CARGO: "Incumplimiento de las condiciones mínimas exigibles a los PCMA."

Con fecha 30 de noviembre de 2007, se nos notifica Resolución Exenta N° 2310, de 29 de noviembre de 2007, mediante la cual se nos formula el cargo.

Con fecha 7 de diciembre de 2007, el AFT formula los descargos, solicitando antecedentes y nuevo plazo para descargos.

Con fecha 26 de diciembre de 2007, se nos notifica Resolución Exenta N° 2484, de 21 de diciembre de 2007, mediante la cual se acompañan antecedentes requeridos y se concede nuevo plazo para descargos.

Con fecha 3 de enero de 2008, el AFT formula nuevos descargos.

Con fecha 18 de enero de 2008 se notificó Res Ex N°134 que tiene por recibidos los descargos presentados por el AFT y concede periodo probatorio de 10 días.

Sonda no aportó nuevos antecedentes.

ESTADO ACTUAL: Para resolución final del MTT.

3.- RES. 2336

CARGO: Efectuar cobros indebidos o no autorizados, en 15 transacciones fiscalizadas.

Con fecha 4 de diciembre de 2007, se nos notifica Resolución Exenta N° 2336, de 4 de diciembre de 2007, mediante la cual se nos formula el cargo.

Con fecha 11 de diciembre de 2007, el AFT formula los descargos.

Con fecha 27 de diciembre de 2007, se nos notifica Resolución Exenta N° 2502, de 26 de diciembre de 2007, mediante la cual se concede periodo probatorio de 10 días.

Con fecha 10 de enero de 2008, se acompañan documentos dentro del término probatorio concedido.

Con fecha 4 de febrero de 2008 se notifica Res Ex N°186, que aplica Multa por UF 16.500, por 11 de las 15 infracciones investigadas.

Con fecha 11 de febrero de 2008, se presentó Recurso de Reposición y Jerárquico en subsidio contra la resolución de multa citada anteriormente.

ESTADO ACTUAL: Para resolución final del MTT.

4.- RES. 2350

CARGO: “Incumplimiento del estándar de Cartola de Movimientos.”, respecto de 69 transacciones que supuestamente no estuvieron reflejadas en las respectivas cartolas, debiendo estarlo.

Con fecha 7 de diciembre de 2007, se nos notifica Resolución Exenta N° 2350, de 5 de diciembre de 2007, mediante la cual se nos formula el cargo.

Con fecha 14 de diciembre de 2007, el AFT formula los descargos.

Con fecha 7 de enero de 2008, se nos notifica Resolución Exenta N° 2535, de 31 de diciembre de 2007, mediante la cual se concede un término probatorio de diez días y se niega la inspección personal del tribunal.

Con fecha 14 de enero de 2008, el AFT presenta un recurso de nulidad, reposición y jerárquico en contra de la Res Ex N°2535, por la no concesión de la inspección personal del tribunal.

Con fecha 21 de enero de 2008, el AFT acompaña documentos.

Con fecha 13 de febrero de 2008, se nos notifica Resolución Exenta N° 261, de 4 de febrero de 2008, que aplica multa de UF 10.350.

Con fecha 20 de febrero, se presentó recurso de reposición y jerárquico en subsidio, contra la Res Ex. N°261.

Con fecha 8 de abril de 2008, se notificó Res Ex N°414 que rechazó recurso de nulidad y reposición presentada contra Res Ex N°2535. Se concedió recurso Jerárquico.

Con fecha 8 de abril de 2008, se notificó Res Ex N°569 que rechazó el escrito presentado por el AFT el 20 de febrero de 2008 por no haber sido suscrito por el Gte Gral.

Con fecha 15 de abril se presentó Recurso de Reposición y Jerárquico en subsidio en contra de la resolución N°569 anterior. Asimismo se presentó un escrito en que el gte gral ratifica todo lo obrado por el abogado de la sociedad.

ESTADO ACTUAL: Para resolución final del MTT.

II.- JUICIOS.

1.- Soné con Sonda y AFT

25° Juzgado Civil

Rol 8838-2007

Materia: Demanda en juicio sumario. Indemnización de perjuicios de conformidad al artículo 108 de la Ley 19.039. Se alega el uso de un contador de pasajeros que habría estado patentado por el demandante con anterioridad.

Cuantía: 1.105.000 UF

Estado: Con fecha 10 de octubre de 2007 se certificó que el término probatorio se encuentra vencido. La parte de Sonda solicitó se cite a las partes a oír sentencia. Están pendientes las notificaciones para las audiencias de designación de perito y de absolución de posiciones de los gerentes generales de Sonda y del AFT.

Por resolución de fecha 26 de octubre de 2007, se citó a las partes a oír sentencia, sin que se llevasen a cabo las diligencias probatorias decretadas (peritaje y absolución de posiciones). La causa la tiene materialmente la Magistrado para dictar la sentencia.

Con fecha 15 de noviembre de 2007 el demandante solicitó una serie de medidas para mejor resolver, entre las cuales se encuentran las diligencias probatorias que no llevaron a cabo. Dicha presentación aún se encuentra pendiente de resolución. (Se ha demorado pues la Jueza estuvo fuera del tribunal por 10 días) Con fecha 17 de diciembre se rechazaron las medidas para mejor resolver solicitadas.

El 18 de diciembre de 2007, nuevamente solicita se tengan por acompañados ciertos documentos como medidas para mejor resolver, petición que es denegada el 19 de ese mismo mes y año.

El día 4 de enero de 2008 se dicta sentencia definitiva, la cual rechaza la demanda en todas sus partes, con costas. Todas las partes nos notificamos personalmente ese mismo día. El plazo para apelar venció el día 16 de enero de 2008. La demandada Sonda, solicitó la aclaración del fallo respecto de uno errores de tipeo. Por su parte, la demandada habría apelado ya que hay un escrito suelto pendiente de resolución. Está última información será ratificada en estos días.

2.- I. Municipalidad de Renca con AFT y otros.

15° Juzgado Civil

Rol 16.299-2007

Materia: Demanda en juicio ordinario. Se alega el enriquecimiento injusto de los demandados, en virtud de los pagos que habría hecho la I. Municipalidad de Renca para proveer un sistema alternativo de transporte público para los habitantes de su comuna.

Cuantía: \$154.600.000.-, otras solicitudes de cuantía indeterminada y costas.

Estado: Aún no se notifica la demanda a todos los demandados. Con fecha 11 de octubre de 2007, se notificó por el artículo 44 del CPC a Gibran Harcha, en representación de Inversiones Alsacia S.A. y a Enrique Méndez, por el AFT. Falta por notificar a Alberto Haddad y a Víctor Coopman, por las demandadas Express de Santiago Uno S.A. y Buses gran Santiago S.A. respectivamente.

El jueves 25 de octubre de 2007 se notificaron a los demandados faltantes por el artículo 44 del CPC, comenzando así a correr el término de emplazamiento.

Con fecha 12 de noviembre de 2007 se presentó escrito de excepciones dilatorias. Paralelamente, estamos a la espera de obtener copias de las presentaciones de los otros demandados. El 14 de noviembre de 2007 se da traslado de las excepciones a la demandante, el cual es evacuado el día 17 de ese mismo mes.

Paralelamente, el 12 de noviembre, la demandada Buses Gran Santiago S.A. también opuso excepciones dilatorias a la demanda, escrito que no fue proveído en cuanto al fondo ya que previamente se le ordeno hacer coincidir la suma con su cuerpo, según resolución de 16 de noviembre de 2007.

El 14 de noviembre la demandada Express de Santiago Uno S.A., presenta –igualmente– excepciones dilatorias, respecto de las cuales se da traslado a la actora por resolución de 21 de noviembre.

La última demandada Inversiones Alsacia S.A., con fecha 16 de noviembre de 2007, presenta también dilatorias, las cuales son declaradas extemporáneas por resolución de fecha 21 de noviembre.

El 23 de noviembre de 2007 la demandante evacua el traslado respecto de la excepción dilatoria presentada por Express de Santiago Uno S.A., el cual es proveído el día 28 del mismo mes, teniéndose por evacuado el traslado. Además, en esa misma resolución, aperece a la demandada Buses Gran Santiago S.A. a cumplir lo ordenado por resolución de 16 de noviembre. Luego, por resolución de 3 de diciembre de 2007, se tiene por cumplido lo ordenado y se da traslado al demandante de la excepción dilatoria opuesta por dicha demandada, el cual es evacuado.

Por resolución de fecha 11 de diciembre de 2007, se rechazan las dilatorias opuestas por las operadoras demandadas y se acoge la nuestra, por ineptitud del libelo. Adjuntamos por separado texto de la resolución.

La demandante rectifica su demanda con fecha 24 de diciembre de 2007, en el sentido que elimina aquella parte declarativa, dejando sólo la de condena. Por resolución de 20 de diciembre de 2008, se tiene por rectificada la demanda y se ordena su contestación.

Con fecha 9 de enero de 2008 contestamos la demanda de autos. Lo mismo hacen los otros demandados. El 14 de enero de 2008 se tiene por contestada la demanda y se da traslado para replicar, el cual venció ayer. Estamos a la espera de ver si presentaron algún escrito a última hora.

3.- Martínez Hernández con AFT

1° Juzgado de Policía Local de Santiago

Rol 20.087-YP-7

Materia: Denuncia infraccional y demanda, ante juzgado de policía local, por infracciones a la Ley 19.496 sobre normas de protección al consumidor, relativas a supuestos cobros indebidos en la tarjeta Bip! del actor.

Cuantía: Máximo de multas establecidas en la ley indicada y \$503.000.- por daños directos y morales.

Estado: En el comparendo de rigor efectuado el día Viernes 19 de octubre de 2007, se presentó escrito de excepciones y contestación a la demanda. Atendida la excepción de incompetencia alegada, se suspendió el comparendo, dándole el plazo legal al actor para contestar, actuación que realizó ese mismo día. Aún se encuentra pendiente la resolución de la incompetencia.

Por resolución de fecha 9 de noviembre y notificada el día 20 de ese mismo mes, se rechazó la excepción de incompetencia presentada, ordenando el Tribunal proseguir con la tramitación de la causa mediante las actuaciones de rigor. Por lo anterior, el demandante deberá solicitar la fijación de nuevo día y hora para la continuación del comparendo de rigor.

A esta fecha se encuentra pendiente una solicitud del demandante para la fijación de nuevo día y hora para la continuación del comparendo suspensivo.

Por carta certificada de 21 de diciembre de 2007 se notificó la resolución que fijó comparendo para el día 18 de marzo de 2008, a las 10:00 hrs.

4.- Robles Manríquez, Maryori con Consultorías y Soluciones Ltda. y AFT

2° Juzgado del Trabajo

Rol: 1087-07

Materia: Juicio ordinario laboral por despido injustificado e indemnización de perjuicios.

Cuantía: \$151.648.000.-, por daño emergente, lucro cesante y daño moral, más intereses, reajustes y costas.

Estado: Con fecha 9 de enero de 2008 se presenta contestación a la demanda por el AFT. A su vez, el 11 de enero de 2008, la demandada Consultores opone excepción dilatoria de incompetencia del tribunal y, en subsidio, contesta la demanda.

Resoluciones de 16 y 21 de enero de 2008, se da traslado a la demandante de las presentaciones de las demandadas, ordenando proveer las demandas en su oportunidad.

SCHEDULE 7
ENVIRONMENTAL, HEALTH AND SAFETY ACTION PLAN

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
<p>I. Compliance with the goals established by the <i>Plan de Descontaminación de Santiago</i>.</p>	<p>1. Achieve all required emission and other environmental requirements</p>	<p>State of compliance with the Transantiago global and individual emissions goals</p> <p>(i) Present a report with the opinion of CONAMA on the state of compliance with the Transantiago global and individual emissions goals, as well as compliance with the environmental provisions established in the 2003 bidding documents.</p>	<p>MTT</p>	<p>Dec 2008</p>
		<p>Enforce the requirement for emission filters on Euro II buses in circulation or study and implement suitable alternatives.</p> <p>(ii) Report on the resolution of the alternatives selected (e.g. retrofit existing Euro III buses in lieu of enforcing the requirement for filters on Euro II buses).</p> <p>(iii) Present a plan to implement the selected alternatives</p> <p>(iv) Complete the implementation of the alternative</p>	<p>MTT</p>	<p style="text-align: center;">2nd semester 2008</p> <p style="text-align: center;">1st semester 2009</p> <p style="text-align: center;">2nd semester 2010</p>

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
		<p>Require and enforce emission filters for new Euro III buses entering circulation.</p> <p>(v) Report on the decision of the <i>Contraloría General de la República</i> on the requirement for filters for new buses for route 3 (Troncal 3).</p> <p>(vi) Report on the outcome of the modification of DS 130 and any other legal instrument to require emission filters on all new buses</p> <p>(vii) Provide an annual report on the implementation of the instruments described in this section.</p>	<p>MTT</p> <p>CONAMA</p>	<p>2nd semester 2008</p> <p>2nd semester 2009</p> <p>March of each year</p>
	<p>2. Further elimination of old buses</p>	<p>Continue enforcing the requirement for bus retirement after buses reach maximum kilometers traveled or do not pass inspection at PRT plants.</p> <p>(i) Present an annual report on the retirement of buses and on the composition of the fleet, including kilometers traveled and the emission class.</p>	<p>MTT</p>	<p>March of each year</p>

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
	3. Inspection and Maintenance	<p>Certify maintenance facilities and personnel, as required by the <i>Plan de Descontaminación de Santiago</i>, the bidding documents, and other applicable regulations</p> <p>(i) Define a plan, consistent with II.1.i, with annual goals, for the certification of facilities and personnel to ensure compliance will all applicable requirements, including the requirement to achieve certification set forth in the bidding documents.</p> <p>(ii) Present an annual report on the progress achieved in certifying facilities and personnel.</p>	<p>MTT</p> <p>Bus Operators</p>	<p>2nd semester 2008</p> <p>March of each year</p>
		<p>Establish a bus fleet program to ensure compliance with the applicable Inspection and Maintenance (I/M) requirements.</p> <p>(iii) Provide a plan and timeline to establish the bus fleet Inspection and Maintenance program;</p> <p>(iv) Present an annual report on the implementation and results of this program.</p>	<p>Bus Operators</p> <p>MTT</p>	<p>1st semester 2009</p> <p>March of each year</p>

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
		<p>Continue regular inspection of mechanical conditions of buses and their emissions at PRT plants and on-road checks, according to DS 156-90 and other applicable regulations.</p> <p>(v) Present an annual report on the results of the inspection of buses at PRT plants and at on road checks</p>	<p>MTT</p> <p>PRT</p> <p>Support from traffic police</p>	<p>March of each year</p>
<p>II. Compliance with in-country legal requirements</p>	<p>1. Permits and authorizations</p>	<p>Complete the Environmental Impact Statement permitting process for terminals and obtain the applicable environmental and safety permits for the operation of all the system's related infrastructure.</p> <p>(i) Present a plan with a timeline to complete the permitting process for all the System's related infrastructure.</p> <p>(ii) Implement the plan.</p> <p>(iii) Present an annual report on the progress achieved in completing the permitting process.</p>	<p>Concessioners</p>	<p>2nd semester 2008</p> <p>2008-2014</p> <p>March of each year</p>

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
<p>III. Appropriate fleet management and preferential circulation. Inefficient operation and the introduction of additional buses increases pollution as well as the system financial costs.</p>	<p>1. Fleet Management and Control</p>	<p>Implement a fleet management system including technologies to enable a more efficient operation and better passenger service and reliability.</p> <ul style="list-style-type: none"> (i) Provide the bidding documents for the fleet management system. (ii) Provide a procurement plan with clear goals and timelines (iii) Provide a plan to implement, operate, and maintain the acquired fleet management system (iv) Provide annual reports on the implementation and operation of the fleet management system. 	<p>MTT</p> <p>AFT</p> <p>Bus Operators</p>	<p>2nd semester 2008</p> <p>1st semester 2009</p> <p>1st semester 2009</p> <p>March of each year</p>

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
		<p>Increase prepaid fare zones when justifiable according to the results of continuing monitoring activities from Transantiago</p> <ul style="list-style-type: none"> (v) Provide revised criteria for establishing pre-paid fare zones. (vi) Provide an assessment of which locations meet the criteria for establishing pre-paid fare zones. (vii) Implement pre-paid zones in those locations that meet the criteria. 	<p>MTT</p> <p>MOP</p> <p>MINVU</p>	<p>2nd semester 2008</p> <p>Starting on 1st semester 2009</p> <p>Starting on 2009</p>

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
	2. Preferred circulation	<p>Study and implement, where applicable, center-median dedicated lanes and/or grade-separated busways in both existing and new corridors, and other effective bus priority strategies, such as dedicated bus lanes, queue jump lanes, signal priority and/or preemption (i.e. preference at intersections), with consideration of grade separation at certain intersections.</p> <p>(i) Present a detailed infrastructure plan that describes the planned infrastructure improvements for each corridor, the justification for such improvements, the estimated costs and benefits, the financial plan, and other relevant information.</p> <p>(ii) Present an annual report describing progress on the infrastructure plan, challenges, and any changes to the plan.</p>	<p>MTT</p> <p>MINVU</p> <p>MOP</p>	<p>1st semester 2009</p> <p>March of each year</p>

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
	3. Easier fare payment system	<p>Improve the fare collection system, making it more convenient for passengers to charge and use their BIP cards.</p> <ul style="list-style-type: none"> (i) Present a plan to improve the fare collection system (ii) Present annual reports on the performance of the implementation and results of the plan. 	<p>MTT</p> <p>AFT</p>	<p>2nd semester 2008</p> <p>March of each year</p>
IV. Increase Transantiago effectiveness and efficiency. Reduced efficiency and effectiveness of public transport exacerbates a mode shift to private motorized vehicles.	1. Safe access to stations	<p>Improve access to and from stations by ensuring safe and convenient pedestrian routes, better bicycle and/or circulator and shuttle services.</p> <ul style="list-style-type: none"> (i) Include in the infrastructure plan the measures identified to improve access to and from the stations 	MTT	<p>1st semester 2009</p> <p>March of each year</p>
	2. Contracts	<p>Further enhancement of contracts to improve environmental performance and better align service levels with actual demand.</p> <ul style="list-style-type: none"> (i) Provide a matrix identifying all concession contracts, the environmental requirements within those contracts, and the dates that those contracts are set to expire. 	MTT	<p>2nd semester 2008</p>

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
	3. Monitoring and enforcement	<p>Enhance monitoring and enforcement of concession contracts.</p> <ul style="list-style-type: none"> (i) Present bidding documents and conceptual summary on the implementation of the Bus Monitoring Center (<i>Centro de Monitoreo de Buses CMB</i>), including the implementation of the synoptic. (ii) Provide a plan to implement the CMB (iii) Provide an annual report on CMB operations regarding key performance indicators. (iv) Present the TORs for the institutional redesign of the CGTS (<i>Coordinacion General de Transporte de Santiago</i>) (v) Provide annual reports on the monitoring and enforcement of concession contracts developed by the CGTS. 	MTT	<p>2nd semester 2008</p> <p>1st semester 2009</p> <p>March of each year</p> <p>1st semester 2009</p> <p>March of each year</p>
	4. Service design	<p>Continue implementing service design changes to improve the system.</p> <ul style="list-style-type: none"> (i) Propose an indicators system to follow-up service design changes and the results to improve the system (i.e. coverage, kilometers traveled, passengers, travel time, commuting time etc). (ii) Provide annual reports on the services design changes implemented and their results, using the indicators system mentioned above. 	MTT	<p>1st semester 2009</p> <p>March of each year</p>

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
	5. Public information and communications	<p>Continue improving passenger information and trip planning services</p> <ul style="list-style-type: none"> (i) Provide the decision on the kind of synoptic to be used. (ii) Start the actual synoptic operation (iii) Provide a plan and timeline to introduce measures to improve passenger information and trip planning services. (iv) Provide an annual report on the measures implemented and their impact on service improvement. 	<p>MTT</p> <p>Bus Operators</p>	<p>2nd semester 2008</p> <p>2nd semester 2008</p> <p>1st semester 2009</p> <p>March of each year</p>
	6. Better marketing and public education	<p>Develop and implement a marketing and education strategy aimed to restore public confidence on Transantiago.</p> <ul style="list-style-type: none"> (i) Provide the final version of the study on perception and trip information management once it is finished. (ii) Provide a marketing and education plan to implement the recommendations emerging from this study and other available analysis. 	<p>MTT</p>	<p>2nd semester 2008</p> <p>2nd semester 2008</p>

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
<p>V. A successful implementation of Transantiago requires strong coordination of several parties, mainly the MTT, AFT, SIAUT, concessionaries, the Metro and CONAMA.</p>	<p>1. Institutional strengthening</p>	<p>Create and operate the Metropolitan Transport Authority (MTA) for Santiago to coordinate and manage the various components of the system.</p> <ul style="list-style-type: none"> (i) Report progress in the discussion of the draft law at the Congress (ii) Provide the final decision of the Congress about the revised draft law. (iii) Provide annual reports on the establishment and/or operation of the MTA. 	<p>MTT</p> <p>Congress</p>	<p>Twice a year</p> <p>Once Congress informs its decision</p> <p>March of each year, once the MTA has been established</p>

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
	2. Environmental Management System	<p>Develop an Environmental Management System to follow up and evaluate the environmental and social impacts of Transantiago.</p> <p>(i) Design an environmental management system consistent with ISO 14001 or any other collection of voluntary standards pertaining to environmental management, including policies, procedures, performance indicators, responsibilities, training, periodic audits and inspections with respect to environmental matters and social.</p> <p>(ii) Designate the office in charge to coordinate the implementation of the EMS and report how this office will be integrated and the resources it will receive to properly conduct its responsibilities.</p> <p>(iii) Provide the bidding documents and a summary description to redesign the air quality monitoring network to evaluate the air quality impact from Transantiago.</p> <p>(iv) Provide a copy of the Study “Impact of Transantiago on the Air Quality in the Metropolitan Region” once it is finished.</p> <p>(v) Provide a plan for implementing the recommendations from this study and other relevant assessments.</p>	MTT	<p>2009</p> <p>2009</p> <p>2nd semester 2008</p> <p>2nd semester 2008</p> <p>1st semester 2009</p>

ISSUES/PROBLEMS IDENTIFIED	CONCEPT	ACTIONS TO ENSURE COMPLIANCE	RESPONSIBLE ENTITIES	TIMEFRAME
	3. Plan to ensure environmental and social sustainability	<p>Develop and implement a comprehensive plan to ensure the environmental and social sustainability of Transantiago over the medium and long term.</p> <ul style="list-style-type: none"> (i) Design a comprehensive plan to ensure the environmental and social sustainability of Transantiago, including coordination with the different national and local agencies involved. (ii) Implement the plan and provide annual progress reports. 	MTT in coordination with national and local agencies involved	<p>2nd semester 2009</p> <p>March of each year, starting in 2010</p>

SCHEDULE 8
LOAN REPAYMENT SCHEDULE

Loan Repayment Date	Percent of Principal Amount of Loan to be Paid
Feb. 15, 2011	0.472%
Mar. 15, 2011	0.675%
Apr. 15, 2011	0.675%
May 15, 2011	0.675%
Jun. 15, 2011	0.675%
Jul. 15, 2011	0.675%
Aug. 15, 2011	0.675%
Sep. 15, 2011	0.675%
Oct. 15, 2011	0.675%
Nov. 15, 2011	0.675%
Dec. 15, 2011	0.675%
Jan. 15, 2012	0.472%
Feb. 15, 2012	0.472%
Mar. 15, 2012	0.675%
Apr. 15, 2012	0.675%
May 15, 2012	0.675%
Jun. 15, 2012	0.675%
Jul. 15, 2012	0.675%
Aug. 15, 2012	0.675%
Sep. 15, 2012	0.675%
Oct. 15, 2012	0.675%
Nov. 15, 2012	0.675%
Dec. 15, 2012	0.675%

Jan. 15, 2013	0.472%
Feb. 15, 2013	0.472%
Mar. 15, 2013	0.675%
Apr. 15, 2013	0.675%
May 15, 2013	0.675%
Jun. 15, 2013	0.675%
Jul. 15, 2013	0.675%
Aug. 15, 2013	0.675%
Sep. 15, 2013	0.675%
Oct. 15, 2013	0.675%
Nov. 15, 2013	0.675%
Dec. 15, 2013	0.675%
Jan. 15, 2014	0.472%
Feb. 15, 2014	0.472%
Mar. 15, 2014	0.675%
Apr. 15, 2014	0.675%
May 15, 2014	0.675%
Jun. 15, 2014	0.675%
Jul. 15, 2014	0.675%
Aug. 15, 2014	0.675%
Sep. 15, 2014	0.675%
Oct. 15, 2014	0.675%
Nov. 15, 2014	0.675%
Dec. 15, 2014	0.675%
Jan. 15, 2015	0.472%
Feb. 15, 2015	0.472%
Mar. 15, 2015	0.675%

Apr. 15, 2015	0.675%
May 15, 2015	0.675%
Jun. 15, 2015	0.675%
Jul. 15, 2015	0.675%
Aug. 15, 2015	0.675%
Sep. 15, 2015	0.675%
Oct. 15, 2015	0.675%
Nov. 15, 2015	0.675%
Dec. 15, 2015	0.675%
Jan. 15, 2016	0.472%
Feb. 15, 2016	0.472%
Mar. 15, 2016	0.675%
Apr. 15, 2016	0.675%
May 15, 2016	0.675%
Jun. 15, 2016	0.675%
Jul. 15, 2016	0.675%
Aug. 15, 2016	0.675%
Sep. 15, 2016	0.675%
Oct. 15, 2016	0.675%
Nov. 15, 2016	0.675%
Dec. 15, 2016	0.675%
Jan. 15, 2017	0.472%
Feb. 15, 2017	0.472%
Mar. 15, 2017	0.675%
Apr. 15, 2017	0.675%
May 15, 2017	0.675%
Jun. 15, 2017	0.675%

Jul. 15, 2017	0.675%
Aug. 15, 2017	0.675%
Sep. 15, 2017	0.675%
Oct. 15, 2017	0.675%
Nov. 15, 2017	0.675%
Dec. 15, 2017	0.675%
Jan. 15, 2018	0.472%
Feb. 15, 2018	0.472%
Mar. 15, 2018	0.675%
Apr. 15, 2018	0.675%
May 15, 2018	0.675%
Jun. 15, 2018	0.675%
Jul. 15, 2018	0.675%
Aug. 15, 2018	0.675%
Sep. 15, 2018	0.675%
Oct. 15, 2018	0.675%
Nov. 15, 2018	0.675%
Dec. 15, 2018	0.675%
Jan. 15, 2019	0.472%
Feb. 15, 2019	0.472%
Mar. 15, 2019	0.675%
Apr. 15, 2019	0.675%
May 15, 2019	0.675%
Jun. 15, 2019	0.675%
Jul. 15, 2019	0.675%
Aug. 15, 2019	0.675%
Sep. 15, 2019	0.675%

Oct. 15, 2019	0.675%
Nov. 15, 2019	0.675%
Dec. 15, 2019	0.675%
Jan. 15, 2020	0.472%
Feb. 15, 2020	0.472%
Mar. 15, 2020	0.675%
Apr. 15, 2020	0.675%
May 15, 2020	0.675%
Jun. 15, 2020	0.675%
Jul. 15, 2020	0.675%
Aug. 15, 2020	0.675%
Sep. 15, 2020	0.675%
Oct. 15, 2020	0.675%
Nov. 15, 2020	0.675%
Dec. 15, 2020	0.675%
Jan. 15, 2021	0.472%
Feb. 15, 2021	0.472%
Mar. 15, 2021	0.675%
Apr. 15, 2021	0.675%
May 15, 2021	0.675%
Jun. 15, 2021	0.675%
Jul. 15, 2021	0.675%
Aug. 15, 2021	0.675%
Sep. 15, 2021	0.675%
Oct. 15, 2021	0.675%
Nov. 15, 2021	0.675%
Dec. 15, 2021	0.675%

Jan. 15, 2022	0.472%
Feb. 15, 2022	0.472%
Mar. 15, 2022	0.675%
Apr. 15, 2022	0.675%
May 15, 2022	0.675%
Jun. 15, 2022	0.675%
Jul. 15, 2022	0.675%
Aug. 15, 2022	0.675%
Sep. 15, 2022	0.675%
Oct. 15, 2022	0.675%
Nov. 15, 2022	0.675%
Dec. 15, 2022	0.675%
Jan. 15, 2023	0.472%
Feb. 15, 2023	0.472%
Mar. 15, 2023	0.675%
Apr. 15, 2023	0.675%
May 15, 2023	0.675%
Jun. 15, 2023	0.675%
Jul. 15, 2023	0.675%
Aug. 15, 2023	0.675%
Sep. 15, 2023	0.675%
Oct. 15, 2023	0.675%
Nov. 15, 2023	0.675%
Dec. 15, 2023	0.675%
Jan. 15, 2024	0.450%
TOTAL	100%

SCHEDULE 9

BASE CASE`

The following Base Case financial model with financial projections through 2029 was prepared by MTT and reviewed by the Technical Consultant. The Base Case is built on a cash flow basis and forecasts the Project's net cash flows resulting from the net effect of projected revenues, costs, subsidies, proceeds from financing and scheduled debt service payments.

The Base Case incorporates the positive effects of the Project's comprehensive improvement plan, which considers the implementation of, among others, the following: (i) a fare for return trips; (ii) efficiency gains; (iii) implementation of measures to reduce fare evasion; (iv) increase in passenger demand mainly from returning customers who have switched to alternate transport modes during the Project's initial phase; (v) reduction in the Project's operating costs as existing concession contracts are re-bided; and (vi) gradual fare increases.

Table A1 below sets forth the Base Case projections.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Revenues	871	1017	1114	1182	1215	1241	1262	1283	1305	1328	1354	1384	1414	1445	1476	1509	1542
Operating Expenses																	
Operators	889	906	897	898	910	892	914	938	962	977	960	989	1019	1050	1082	1115	1150
Metro	352	360	362	365	372	379	385	392	399	406	414	423	433	442	452	462	473
AFT	109	134	143	145	147	150	153	155	158	161	164	167	171	175	178	182	186
SIAUT	5	5	5	5	5	6	6	6	6	6	6	6	6	6	7	7	7
Total	1355	1405	1407	1414	1435	1426	1458	1490	1524	1549	1544	1586	1629	1674	1720	1767	1816
Net Operating Cash Flow	-483	-389	-293	-231	-220	-185	-196	-207	-219	-222	-190	-203	-216	-229	-243	-258	-274

SCHEDULE 10
EXISTING LIENS

NONE

SCHEDULE 11
OTHER PROJECT EVENTS OF DEFAULT

(See Section 7.2.20 (*Other Project Events of Default*) of this Agreement)

Any of the following events or circumstances shall constitute an Event of Default under Section 7.2.20 (*Other Project Events of Default*) of this Agreement.

1. *Access Rights*. MTT fails to procure that, upon IDB's reasonable request, IDB or any agent of IDB, including the Consultants, is permitted during normal business hours to:
 - a. visit and inspect any premises where the material Operations of the Project are conducted; or
 - b. inspect all material facilities, equipment and other Property comprised in the Operations of the Project and examine, make abstracts and make photocopies or reproductions of any material and non-confidential document related to the Project's books of account and records.
2. *Pari Passu*. At any time, the obligations of CORFO under the Participation Agreement and the PCS are not senior, unconditional (other than in respect of the conditions set forth in the Participation Agreement and the PCS Regulation) and unsubordinated obligations, or do not rank at least *pari passu* in priority of payment with all other unsecured and unsubordinated obligations of CORFO outstanding from time to time.
3. *Notices*. MTT obtains knowledge of:
 - a. the occurrence of any Default, and within five (5) days fails to notify IDB of such occurrence together with a certificate of MTT specifying the nature of such Default and any steps being taken or intended to be taken to remedy such Default;
 - b. any action, suit, other legal proceeding, administrative proceedings or other claim before any Authority that has had or may reasonably be expected to have a Material Adverse Effect, and fails to notify IDB of any such action, suit, proceeding or claim by facsimile specifying the nature of such proceedings and the steps being taken or intended to be taken with respect thereto.
 - c. the existence of any violation of any of the Foreign Asset Control and Anti-money Laundering Regulations by the Borrower or any Project Party, or any investigation by any Authority relating thereto, and fails to promptly notify IDB of such violation or investigation, such notification to include a description of the violation or the matter under investigation, as the case may be, and the steps that are being taken to resolve such matter.
4. *Sustainability Index*. MTT fails to timely provide the Administrator with the proposed Sustainability Index in accordance with Section 6.4.9 (*Sustainability Index*).

5. *Environmental and Social Requirements and Environmental and Social Matters.*
- a. Either (i) the Project (including all of its sites, plants, equipment, facilities and other Property) is not designed, operated, maintained and monitored in compliance with all Environmental and Social Requirements or (ii) material impacts or risks relating to Environmental or Social Matters on the operations of the Project exist and the responsible Environmental Party fails to adequately mitigate or compensate such impacts or risks, and in either case such non-compliance or failure continues for a period of thirty (30) days after such Environmental Party became aware of such non-compliance or failure, or under normal prudent care should have become aware of such non compliance or failure, without such Environmental Party, within such 30 day period, either (i) correcting and remedying all damage and other adverse consequences caused by such non compliance or failure, or (ii) developing and initiating implementation of a Corrective Action Plan, in form and substance satisfactory to IDB..
 - b. Adequate on-going information disclosure and public consultation activities with the local population of Santiago, if required by Environmental Laws, relating to material Environmental or Social Matters pertaining to the Project, is not implemented to the satisfaction of IDB.
 - c. The Environmental Management System is not implemented to the satisfaction of IDB.
 - d. With respect to each project, sub-project or works within the Project or other Project activity that may have potentially significant impacts or risks relating to Environmental or Social Matters:
 - i. to the extent required by any Environmental Law, an Environmental Impact Assessment in form and substance reasonably acceptable to IDB is not developed and fully implemented;
 - ii. such Environmental Impact Assessment is not made available to the local affected population and to IDB well in advance of the start of commencement of any construction activity, to the extent that it is required by Environmental Laws;
 - iii. appropriate and sufficient public consultation activities reasonably satisfactory to IDB are not performed prior to construction commencing, during construction and during operation, to the extent that it is required by Environmental Laws; or
 - iv. a specific Environmental and Social Management Plan, Health and Safety Plan, Contingency Plan and Spill Prevention and Counter-Control Plan with respect to such project, sub-project or works is not developed and

implemented prior to commencement of construction, to the extent required by Environmental Laws or the Environmental Impact Assessment.

- e. IDB, or the Environmental and Social Consultant engaged by IDB, at the expense of the Borrower, is not permitted to perform an independent audit with respect to Environmental or Social Matters in relation to the Project and each Environmental Party to:
 - i. confirm compliance with the Environmental and Social Provisions and to identify any material adverse impacts, risks or liabilities with respect to Environmental or Social Matters that have not been adequately mitigated or compensated; and
 - ii. if necessary, prepare a Corrective Action Plan, in form and substance satisfactory to IDB, to correct any identified non-compliance or deficiency.
 - f. Any Corrective Action Plan prepared under Section 5(e)(ii) of this Schedule 11 is not implemented to the reasonable satisfaction of IDB.
6. The Borrower or any Environmental Party:
- a. takes any action associated with the Project, which results in the resettlement of any significant group of Persons, unless the Environmental Party has complied with the applicable Environmental and Social Requirements; or
 - b. makes any material adverse change or modification to any Environmental Plan or the Environmental Management System without the reasonable consent of IDB.
7. MTT fails to timely notify the Borrower of any fact, circumstance, condition or occurrence set forth in Sections 6.6.2.1 to 6.6.2.5.
8. *Operational Improvements to Project.* The operational improvements required to reduce the Project's operating deficits, as set forth in the Base Case delivered to the IDB from time to time, are not implemented, resulting in a material adverse impact on the Project's ability to pay its obligations under the then-effective Base Case.
9. *Fare Evasion.* If at any time on or after January 1, 2009 a plan to reduce fare evasion having the effect of reducing the operating deficit as contemplated in the most recently delivered Base Case is not in effect.
10. *Fleet Management Service and Fare Return Trips.* If at any time (i) on or after July 1, 2009 a fleet management system having the effect of reducing the operating deficit as contemplated in the most recently delivered Base Case is not in effect, or (ii) on or after July 1, 2009 a fare-return trip system having the effect of reducing the operating deficit as contemplated in the most recently delivered Base Case has not been implemented.

11. *Budget; Base Case.* MTT fails to timely provide the Borrower with copies of the Annual Budget and the Base Case, as required under Section 6.5 (*Budget; Base Case*).
12. *Environmental and Social Covenants.* MTT fails to timely provide the Borrower with the Environmental and Social Compliance Report, as required under Section 6.6 (*Environmental and Social Covenants*).

FORM OF DISBURSEMENT REQUEST

(See Section 3.2 (*Disbursement Procedure*) of the Loan Agreement)

[BORROWER'S LETTERHEAD]

[Date]

Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577
United States of America

Attn: Structured and Corporate Finance Department, Portfolio Management Unit

Ladies and Gentlemen:

Loan No. [_____]

Request for Loan Disbursement No. [_____]

1. Reference is made to the loan agreement dated as of June [___], 2008 the (***Loan Agreement***) between Cuenta Especial de Reembolso (the ***Borrower***), Administrador Financiero de Transantiago S.A. (in its individual capacity and in its capacity as Administrator of the Accounts) and Inter-American Development Bank (***IDB***). Capitalized terms used but not defined in this request have the meanings assigned to them in the Loan Agreement. The rules of interpretation set forth in Section 1.2 (*Interpretation*) of the Loan Agreement shall apply to this request.
2. The Borrower irrevocably requests disbursement on [_____, ____] (or as soon as practicable thereafter) of the amount of [_____ Dollars (\$____)] under the Loan (the ***Disbursement***), in accordance with Section 3.2 (*Disbursement Procedure*) of the Loan Agreement. IDB is requested to transfer the proceeds of the Disbursement to Banking Account #6 Dollar Account.
3. [Enclosed is a signed[, stamped] but undated receipt for the amount of the Disbursement. The Borrower authorizes you to date such receipt with the Disbursement Date.] OR [Immediately upon receipt of the disbursed funds, the Borrower shall deliver to IDB a receipt therefor substantially in the form of Exhibit 2 (*Form of Disbursement Receipt*) to the Loan Agreement.]
4. The Borrower certifies that all conditions set forth in Section 5.1.4.1 (but only in respect of the Financing Documents to which the Borrower is a party), Section 5.2.2 (but only in respect of any Default that is attributable to any of the representations and warranties or covenants of the Borrower in the Loan Agreement), Section 5.2.3, Section 5.2.7 (but only in

respect of the Borrower) and Section 5.2.10 (but only in respect of the Transaction Documents to which the Borrower is a party) of the Loan Agreement have been satisfied.

5. The Borrower further certifies that the proceeds of the Disbursement will be applied only in reimbursement of, or payment for, expenditures in territories of IDB Members or for goods produced in or services supplied from or originating in such territories.
6. The above certifications are effective as of the date hereof and shall continue to be effective as of the Disbursement Date for this Disbursement. If any certification is no longer valid as of or prior to such Disbursement Date, the Borrower will notify IDB immediately and, on demand, repay the Disbursement (or any portion thereof) if the Disbursement is made prior to IDB's receipt of such notice.

Yours truly,

CUENTA ESPECIAL DE REEMBOLSO

By: _____
Administrador Financiero de Transantiago S.A.
in its capacity as Manager
Name:
Title:

FORM OF MTT INSTRUCTION

(See Section 5.2.12.1 of the Loan Agreement)

[MTT'S LETTERHEAD]

[Date]

Cuenta Especial de Reembolso

[_____]

[_____]

[_____]

Administrador Financiero de Transantiago S.A.

[_____]

[_____]

[_____]

Ladies and Gentlemen:

1. Reference is made to the loan agreement dated as of June [___], 2008 the (***Loan Agreement***) between Cuenta Especial de Reembolso (the ***Borrower***), Administrador Financiero de Transantiago S.A. (in its individual capacity and in its capacity as Administrator of the Accounts) and Inter-American Development Bank (***IDB***). Capitalized terms used but not defined in this request have the meanings assigned to them in the Loan Agreement. The rules of interpretation set forth in Section 1.2 (*Interpretation*) of the Loan Agreement shall apply to this request.

2. MTT hereby:
 - (a) instructs the Borrower to deliver a Disbursement Request to IDB requesting a Disbursement of the Loan in an amount of [_____ Dollars (\$_____)] (the ***Relevant Disbursement***), in accordance with Section 3.2 (*Disbursement Procedure*) of the Loan Agreement;

 - (b) instructs the Borrower to apply the proceeds of the Relevant Disbursement as follows:

[]

 - (c) certifies to the Borrower that (i) all conditions precedent to the Relevant Disbursement set forth in Section 5.1.4, Section 5.1.5, Section 5.1.17, Section 5.1.18, Section 5.2.2, Section 5.2.3, Section 5.2.7, Section 5.2.8, [and] 5.2.10, [and

5.2.13]* of the Loan Agreement have been satisfied, and (ii) all representations and warranties of MTT in the MTT Undertaking Letter are true and correct with reference to the facts and circumstances existing on the date hereof and on the Disbursement Date of the Relevant Disbursement with the same effect as though such representations and warranties had been made on and as of each such date (except to the extent expressly made as of another date, in which case such representations and warranties are true and correct as of such other date), and will remain so immediately following the making of the Relevant Disbursement; and undertakes, in each case, to immediately notify the Borrower if any such certification ceases to be true and correct at any time prior to the date of the Relevant Disbursement

- (e) instructs the Administrator to transfer proceeds of the Relevant Disbursement from Banking Account #6 to Banking Account #2.

Yours truly,

MINISTERIO DE TRANSPORTES Y TELECOMUNICACIONES DE LA REPÚBLICA DE CHILE

By: _____

Name:

Title:

cc: Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577
United States of America
Attn: Structured and Corporate Finance Department, Portfolio Management Unit

* Only if applicable.

FORM OF DISBURSEMENT RECEIPT

(See Section 3.2 (*Disbursement Procedure*) of the Loan Agreement)

[BORROWER'S LETTERHEAD]

Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577
United States of America

Attn: Structured and Corporate Finance Department, Portfolio Management Unit

Ladies and Gentlemen:

Loan No. [_____]

Disbursement Receipt No. []

We, Cuenta Especial de Reembolso (the ***Borrower***), hereby acknowledge receipt on the date hereof, of the sum of _____ Dollars (\$_____) disbursed to us by Inter-American Development Bank (***IDB***) under the Loan of _____ Dollars (\$_____) provided for in the loan agreement dated as of June [], 2008 among the ourselves, IDB and Administrador Financiero de Transantiago S.A. (in its individual capacity and in its capacity as Administrator of the Accounts). Capitalized terms used but not defined in this receipt have the meanings assigned to them in the Loan Agreement.

Yours truly,

CUENTA ESPECIAL DE REEMBOLSO

By: _____
Administrador Financiero de Transantiago S.A.
in its capacity as Manager
Name:
Title:

FORM OF CERTIFICATE OF INCUMBENCY AND AUTHORITY

(See Section 5.1.3 (*Incumbency of the Borrower*) of the Loan Agreement)

[LETTERHEAD]

Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577

United States of America

Attn: Structured and Corporate Finance Department, Portfolio Management Unit

Ladies and Gentlemen:

Loan No. []

Certificate of Incumbency and Authority

Reference is made to the Loan Agreement, dated as of June [__], 2008 (the ***Loan Agreement***) among Cuenta Especial de Reembolso (the ***Borrower***), Administrador Financiero de Transantiago S.A. (in its individual capacity and in its capacity as Administrator of the Accounts) and Inter-American Development Bank (***IDB***). Capitalized terms used but not defined in this certificate have the meanings assigned to them in the Loan Agreement.

I, the undersigned [Chairman/Director] of [*relevant Person*], duly authorized to do so, hereby certify that the following are the names, offices and true specimen signatures of the persons each of whom are, and will continue to be, authorized:

- (1) to sign on behalf of [*relevant Person*] the Disbursement Requests provided for in Section 3.2 (*Disbursement Procedure*) of the Loan Agreement;
- (2) [to sign on behalf of [*relevant Person*] the certifications provided for in Section 5.1 (*Conditions Precedent to First Disbursement*), Section 6.4 (*Information*) and Section 6.5 (*Budgets; Base Case*) of the Loan Agreement;]* and
- (3) to take any other action required or permitted to be taken, done, signed or executed on behalf of [*relevant Person*] under the Financing Documents or any other agreement to which [*relevant Person*] and IDB may be parties.

* Only in the case of the Borrower.

Name

Office

Specimen Signature

_____	_____	_____
_____	_____	_____
_____	_____	_____

IDB may assume that any such person continues to be so authorized until IDB receives authorized notice from [*relevant Person*] that they, or any one of them, is no longer authorized.

Yours truly,

[NAME OF RELEVANT PERSON]

By: _____

Name:

Title:

FORM OF AUTHORIZATION TO AUDITORS

[BORROWER'S LETTERHEAD]

(See Section 5.1.11 (*Authorization of Auditors*) of the Loan Agreement)

[]

[ADDRESS]

Ladies and Gentlemen:

We hereby authorize and request you to give to Inter-American Development Bank (**IDB**), Structured and Corporate Finance Department, 1300 New York Avenue, N.W., Washington, D.C. 20577, United States of America, all such information as IDB may reasonably request with regard to our financial statements, both audited and unaudited. We have agreed to supply that information and those statements under the terms of a loan agreement among IDB, ourselves and Administrador Financiero de Transantiago S.A. (in its individual capacity and in its capacity as Administrator of the Accounts) dated as of June [], 2008 (the **Loan Agreement**). For your information, we enclose a copy of the Loan Agreement. Capitalized terms used but not defined in this letter have the meanings assigned to them in the Loan Agreement.

We authorize and request you to send two (2) copies of our audited Financial Statements for each calendar month and each Financial Year to IDB to enable us to satisfy our obligations to IDB under Sections 6.4.1.1 and (*Annual Financial Statements*) 6.4.2 (*Monthly Financial Statements*) of the Loan Agreement. When submitting the same to IDB, please also send, at the same time, a copy of your full audit report on such accounts to IDB.

Please note that, under Section 6.4.5 (*Communications with Auditors*) of the Loan Agreement, we are obliged to provide IDB with a copy of any management letter or other communication from you to us or our management commenting, with respect to the relevant Financial Year, on, among other things, the adequacy of our financial control procedures and accounting and management information systems.

Please also submit each such communication and report to IDB with the audited accounts.

For our records, please ensure that you send to us a copy of every written communication that you receive from IDB immediately upon receipt and a copy of each reply made by you immediately upon issuance of that reply.

Yours truly,

CUENTA ESPECIAL DE REEMBOLSO

By: _____

Administrador Financiero de Transantiago S.A.
in its capacity as Manager
Name:
Title:

ACKNOWLEDGED AND AGREED:

[_____]

By: _____
Authorized Representative

Enclosure: IDB Loan Agreement

cc: Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577
United States of America
Attn: Structured and Corporate Finance Department, Portfolio Management Unit

**FORM OF BORROWER'S CERTIFICATE REGARDING
ORGANIZATIONAL DOCUMENTS**

(See Section 5.1.1 (*Organizational Documents*) of the Loan Agreement)

Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577
United States of America

Attn: Structured and Corporate Finance Department, Portfolio Management Unit

Ladies and Gentlemen:

Loan No. []

Certificate Regarding Organizational Documents

1. Reference is made to the Loan Agreement, dated as of June [], 2008 (the **Loan Agreement**) among Cuenta Especial de Reembolso (the **Borrower**), Administrador Financiero de Transantiago S.A. (in its individual capacity and in its capacity as Administrator of the Accounts) and Inter-American Development Bank (**IDB**). Capitalized terms used but not defined in this certificate have the meanings assigned to them in the Loan Agreement.
2. Copies of the following documents are attached, which documents constitute all of the Organizational Documents of the Borrower:
 - 2.1 Law No. 20,206 of Chile; and
 - 2.2 The Government of Chile Reimbursement Agreement.
3. The Borrower certifies that:
 - 3.1 the attached copies of the Organizational Documents are true and complete copies of the respective originals; and
 - 3.2 none of the Organizational Documents has been amended since [] and no proceedings have been commenced to amend any of the Organizational Documents.

Yours truly,

CUENTA ESPECIAL DE REEMBOLSO

By: _____

Administrador Financiero de Transantiago S.A.

in its capacity as Manager

Name:

Title:

FORM OF SERVICE OF PROCESS LETTER

[PROCESS AGENT'S LETTERHEAD]

(See Section 8.10 (*Applicable Law and Jurisdiction*) of the Loan Agreement)

[Date]

Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577
United States of America

Attn: Structured and Corporate Finance Department, Portfolio Management Unit

Ladies and Gentlemen:

Loan No. []

Agency for Service of Process

1. Reference is made to the loan agreement dated as of June [__], 2008 (the ***Loan Agreement***) among Cuenta Especial de Reembolso (the ***Borrower***), Administrador Financiero de Transantiago S.A. (in its individual capacity and in its capacity as Administrator of the Accounts) and Inter-American Development Bank (***IDB***). Capitalized terms used but not defined in this letter have the meanings assigned to them in the Loan Agreement.
2. Pursuant to Section 8.10 (*Applicable Law and Jurisdiction*) of the Loan Agreement, the Borrower has irrevocably designated and appointed the undersigned [_____], whose offices are currently located at [_____], New York, as its authorized agent solely to receive for and on the Borrower's behalf, service of summons or other legal process in any legal action, suit or proceeding in any court specified in Section 8.10.2 (*Applicable Law and Jurisdiction*) of the Loan Agreement.
3. The undersigned informs you that it has irrevocably and unconditionally accepted that appointment as process agent as set forth in Section 8.10 (*Applicable Law and Jurisdiction*) of the Loan Agreement from [date] until [date] and agrees with IDB that the undersigned shall (i) inform IDB promptly in writing of any change in the address of the undersigned in New York, (ii) perform its obligations as process agent in accordance with the relevant terms of Section 8.10 (*Applicable Law and Jurisdiction*) of the Loan Agreement, and (iii) promptly forward to the Borrower any legal process received by the undersigned in its capacity as process agent.

4. As process agent, the undersigned and its successors shall discharge the above-mentioned obligations and shall not refuse fulfilment of such obligations as provided in Section 8.10 (*Applicable Law and Jurisdiction*) of the Loan Agreement.

Yours truly,

[NAME OF PROCESS AGENT]

By: _____

Name:

Title:

cc: CUENTA ESPECIAL DE REEMBOLSO

[]

FORM OF OPINION OF LOCAL COUNSEL

(See Section 5.1.7.1 (*Legal Opinions*) of the Loan Agreement)

[]

To: INTER-AMERICAN DEVELOPMENT BANK

Dear Sirs,

We have acted as counsel to CUENTA ESPECIAL DE REEMBOLSO created pursuant to Law 20,206 (the "Borrower"), represented by ADMINISTRADOR FINANCIERO DE TRANSANTIAGO S.A., (the "AFT") in the jurisdiction of the Republic of Chile (the "Relevant Jurisdiction") in connection with the execution of a Loan Agreement among the Borrower and INTER-AMERICAN DEVELOPMENT BANK (the "IDB") dated as of [May ***, 2008] (the "Loan Agreement").

Terms defined in the Loan Agreement shall have the same meaning herein.

1. OPINION DOCUMENTS

1.1 In arriving at the opinions expressed below, we have examined and relied upon a copy of executed (except as noted in paragraph 1.1.5 below) versions:

- 1.1.1 the executed Loan Agreement;
- 1.1.2 the executed Intercreditor Agreement;
- 1.1.3 the executed Security Documents;
- 1.1.4 a form of the Notes to be executed by the Borrower;
- 1.1.5 the Government of Chile Reimbursement Agreement,

(all of the foregoing, together the "Opinion Documents").

1.2 In arriving at the opinions expressed below, we have also examined and relied upon the following:

- 1.2.1 the Organizational Documents of the Borrower and AFT;
- 1.2.2 a resolution by the relevant corporate bodies of AFT authorizing the execution, delivery and performance of the Opinion Documents to which they are a party and the transactions contemplated thereby;

1.2.3 a certified copy of the power of attorney granted to the persons authorized to execute and deliver the Opinion Documents and the transactions contemplated thereby on behalf of the Borrower;

1.2.4 all documents evidencing other necessary corporate action and Authorizations with respect to the Opinion Documents for the Borrower;

1.2.5 Certificate of Incumbency and Authority of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign the Opinion Documents and the other documents to be delivered in relation thereto; and

1.2.6 The decision of the Chilean Constitutional Court dated May 22, 2008.

2. ASSUMPTIONS

2.1 The obligations of the Borrower under the Opinion Documents to which they are a party are legal, valid and binding under the laws of the State of New York;

2.2 The signatures of all executed documents that we have examined are genuine;

2.3 The Opinion Agreements have been duly authorized, executed and delivered by the IDB under applicable New York law, the IDB has full power, authority and legal right to enter into and perform its obligations under the Opinion Agreements, and the Opinion Agreements are legal, binding and enforceable instruments of the lender;

2.4 Each of the Opinion Agreements has been duly authorized, executed and delivered by each of the persons party thereto (other than the Borrower), each such person (other than the Borrower) has full power, authority and legal right to enter into and perform its obligations under the financing agreements;

2.5 Documents which have been provided to us in photocopy form or any form other than the original are true and correct copies of their originals.

3. OPINIONS

Based upon and subject to the foregoing we are of the opinion, as of this date, that:

3.1 Status

3.1.1 The Borrower is a patrimonio separado duly created and validly existing under the laws of the Relevant Jurisdiction.

3.1.2 The AFT is a sociedad anónima duly incorporated, duly organised and validly existing and in good standing under the laws of the Relevant Jurisdiction.

3.2 Due Authorization

The Borrower has the power and authority to enter into, deliver and perform its obligations under the Opinion Documents to which it is a party and all necessary action has been taken to enable it validly to execute and deliver the Opinion Documents.

3.3 Conflict

Neither the execution nor the delivery of the Opinion Documents by the Borrower, nor the performance of its obligations under the Opinion Documents conflict with:

3.3.1 any present law, regulation, treaty or rule of the Relevant Jurisdiction or any order of any governmental, judicial or other authority of the Relevant Jurisdiction that we are aware of, or any contract which is binding on them that we are aware of in any respect; or

3.3.2 the constitutional documents of the Borrower in any respect.

3.4 Legal, Valid, Binding and Enforceable Obligations

3.4.1 Each Opinion Documents has been validly and properly executed and delivered (where appropriate) by the Borrower.

3.4.2 The obligations of the Borrower under the Opinion Documents to which they are a party are legal, valid, binding and enforceable under the laws of the Relevant Jurisdiction. In particular, the Notes when duly executed and delivered by the Borrower pursuant to the terms of the Loan Agreement, will constitute valid and legally binding obligations of the Borrower, enforceable in accordance with their terms.

3.4.3 The Opinion Documents are in proper legal form under the laws of the Relevant Jurisdiction for the enforcement thereof against the Borrower, in the Relevant Jurisdiction (assuming, in the case of the Opinion Documents governed by New York law their validity and enforceability in accordance with their terms under the laws of the State of New York) (provided that, an official translation prepared by the Ministry of Foreign Affairs is required to bring an action thereon in the courts of the Relevant Jurisdiction), except for the Opinion Documents regarding which the parties thereto have submitted to the jurisdiction of the courts of the State of New York, which would not be enforceable in the Relevant Jurisdiction, notwithstanding the enforceability of a judgement rendered pursuant to the those documents, as stated in Section 3.9 hereof. Other than the official translation referred above, it is not necessary, in order to establish or maintain the legality, validity, or enforceability of the Opinion Documents under the laws of the Relevant Jurisdiction or to establish the admissibility into evidence of the Opinion Documents that they must be submitted to, filed or recorded with, any court or other Authority in the Relevant Jurisdiction or that any stamp charge or tax be paid on or in respect of any of the Opinion Documents.

3.4.4 The Opinion Documents do not have illicit object (“objeto ilícito”), illicit consideration (“causa ilícita”) and do not contravene the public policy (“orden público”), moral or good customs according to the law of the Relevant Jurisdiction.

3.5 Filings, Registrations or Consents

It is not necessary under the laws of the Relevant Jurisdiction that:

3.5.1 any document be filed, registered, recorded or notarised before or with any court or public office, other than (i) the Notes, in which case the signatures of the representatives of the Borrower executing them must be authorized by a competent notary public in order to constitute a título ejecutivo, and (ii) the registration of the financial terms and conditions of the Loan Agreement with the Central Bank of Chile pursuant to Chapter XIV of the Compendium on Foreign Exchange Rules of the Central Bank of Chile; or

3.5.2 any stamp or documentary tax or any other tax or duty whatsoever be paid, given that under the Agreement Establishing the Inter-American Development Bank dated December 30, 1959, the provisions of Law No. 13.904, the provisions of Decree No. 602 of 1959 and the provisions of Supreme Decree No. 266, of the Chilean Foreign Affairs Ministry, published in the Chilean Official Gazette on April 30, 1970, IDB and its Property, income and transactions are immune from all Taxes imposed by IDB Members; or

3.5.3 any consent, approval or authorization of any person or authority (including without limitation, any tax or other monetary authority) be obtained, other than (i) the authorizations and consents required pursuant to Law No. 20,206 and the Government of Chile Reimbursement Agreement; (ii) the approval or toma de razón, by the Contraloría General de la República of (x) the supreme decrees of MTT and the Ministry of Finance authorizing the term and conditions of the Loan, (y) the Reglamento de Cobertura de Préstamos para el Desarrollo de Alternativas de Financiamiento para el Funcionamiento del Sistema de Transporte Público de la ciudad de Santiago, and (z) the supreme decrees of the Ministry of Finance (1) amending supreme decree No.793 of 2004 of the Ministry of Finance which increases the amount of Corfo's Fondo de Cobertura de Riesgo, and (2) transferring to Corfo US\$320,000,000 for purposes of granting the PCS and (iii) the refrendación by the Contraloría General de la República of the PCS granted to the IDB by Corfo, all of which have been obtained or;

3.5.4 any other action whatsoever be taken,

to ensure the legality, validity, enforceability and the admissibility in evidence of any of the Opinion Documents.

3.6 Withholding Tax

There is no withholding or other tax or duty imposed by the Relevant Jurisdiction on any payment to be made by the Borrower pursuant to the Opinion Documents.

3.7 Bank Domicile and Place of Business

3.7.1 The IDB is not or will not become (or be deemed to have become) resident, domiciled, engaged in the carrying on of business or subject to taxation in the Relevant Jurisdiction by reason only of the negotiation, preparation, execution, delivery, performance or enforcement of or receipt of any payment under the Opinion Documents; and

3.7.2 it is not necessary for the IDB to establish a place of business (or be licensed, qualified or otherwise entitled to carry on business) in the Relevant Jurisdiction or to meet any other criteria applicable under the laws of the Relevant Jurisdiction for the entry into, performance or enforcement of the Opinion Documents or for the enforcement of the security interests created pursuant thereto.

3.8 Choice of Law

In any proceedings for the enforcement of the obligations of the Borrower the courts of the Relevant Jurisdiction would give effect to the choice of New York law as the governing law of the Loan Agreement and the Securities Accounts and Control Agreement.

3.9 Recognition of Foreign Judgments

3.9.1 A final and conclusive judgment for the payment of money rendered by the United States District Court for the Southern District of New York or any New York State court sitting in New York City against the Borrower will be recognized in the courts of Chile and such courts will enforce such foreign judgment on the Borrower without any retrial or re-examination of the merits of the original action under the following circumstances:

- (a) if there is a treaty between Chile and the country where the foreign judgment was rendered with respect to the enforcement of foreign judgments, the provisions of such treaty shall be applied (there is no such treaty between the United States and Chile currently in existence);
- (b) if there is no treaty, the foreign judgment will be enforced if there is reciprocity as to the enforcement of foreign judgments (i.e. the relevant foreign court would enforce a judgment of a Chilean court under comparable circumstances);
- (c) if it can be proved that there is no reciprocity, the foreign judgment cannot be enforced;
- (d) if the previous rules cannot be applied, the judgment of foreign courts will have in Chile the same effect as the judgments given by Chilean courts, provided that: (i) the foreign judgment does not contain anything contrary to the laws of Chile; (ii) the foreign judgment is not contrary to public policy of Chile and does not affect in any way properties situated in Chile, which are subject exclusively to the jurisdiction of local courts; (iii) the defendant against whom the enforcement is sought has been given due notice of the proceedings and has been afforded a real opportunity to appear before the foreign court and defend his case, which are factual issues that must be established when obtaining in Chile the enforcement of a foreign judgment. Personal service made upon the Borrower's process agent, assuming that manner of service to be valid under the local law of the place where the service is made, would constitute due notice. Under Chilean law, service of process by mail may be deemed not to constitute due service of process for the above purposes; and (iv) the foreign judgment be final, conclusive and enforceable under the laws of the country where it was passed.

3.10 Ranking of Claims

Under the laws of the Relevant Jurisdiction, the claims of the IDB against the Borrower under the Opinion Documents constitute direct, unconditional and general obligations of the Borrower and will rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations having priority by operation of law such as claims for taxes, court-related expenses, salaries and social securities charges or the obligations of the Borrower to Banco del Estado de Chile pursuant to the Banco del Estado Loan Agreement.

3.11 Choice of Jurisdiction

The submission to jurisdiction of the New York courts by the Borrower and AFT contained in any of the Opinion Documents to which they are a party is valid and binding on the Borrower and AFT, as applicable, and not subject to revocation.

3.12 Government of Chile Reimbursement Agreement

3.12.1 The funding and application of the Daily Provision as envisaged in the Loan Agreement and the seniority of the Daily Provisions with respect to the IDB Debt Service and the DSRA with respect to the Borrower's obligations pursuant to the Government of Chile Reimbursement Agreement have been accepted by the MTT, the Ministry of Finance and the Bus Operators pursuant to the terms of the Government of Chile Reimbursement Agreement.

3.12.2 The Government of Chile Reimbursement Agreement is in full force and effect and is legally binding on the parties thereto, and all consents required thereunder to approve the transactions contemplated by the Opinion Documents have been obtained and are in full force and effect.

3.13 Interest

There is no applicable usury or interest limitation law in the Relevant Jurisdiction which might restrict the exercise by the IDB of their rights under the Opinion Documents.

3.14 Exchange Control or the Limitation on Remitting Funds

Payments under the Opinion Documents and the proceeds of any judgment obtained in respect of the Opinion Documents may be remitted to the IDB out of the Relevant Jurisdiction without restriction and without the need to obtain any consent, approval, licence or permission of any person or authority, other than for the requirement of remitting the funds through the formal exchange market, according to the Central Bank of Chile rules, and all amounts payable by the Borrower or Corfo under the Opinion Documents may be paid in the currency in which these amounts are expressly stated to be payable.

3.15 Immunity and Set Off

The execution and delivery by the Borrower of, and the compliance with its obligations under the Opinion Documents to which it is a party constitute private and commercial acts of the Borrower rather than public or governmental acts. The Borrower nor any of its property has any immunity (sovereign or otherwise) from any legal action, suit or proceeding (whether service of notice,

attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) or from the jurisdiction of any court or from set off. The waiver of immunity provisions contained in the Opinion Documents are irrevocably binding. The Borrower does not enjoy any freedom from set-off or counterclaim relating to the Opinion Documents under the laws of the Relevant Jurisdiction.

4. QUALIFICATION

Our opinion is subject to the reservations that enforcement of the Opinion Documents, may be limited or affected by: (i) general rules and laws relating to bankruptcy, insolvency, liquidation, fraudulent transfer, reorganization and other rules and laws of general application affecting the rights and remedies of creditors; and (ii) an implied covenant of good faith and fair dealing.

Our opinion is also subject to the reservation that in the past other financings provided to the Borrower have been contested on grounds of constitutionality before the Chilean Constitutional Court and that the Chilean Constitutional Court has rejected such filings or procedures, but no assurance or opinion can be given that if there is a filing or procedure before the Tribunal Constitucional of the Republic of Chile in connection with the constitutionality of the Opinion Documents or decrees, permits or authorizations related thereto, the Chilean Constitutional Court will decide in the same manner.

We assume no obligation to advise you or any other person, or to make any investigations, as to any legal developments or factual matters arising subsequent to the date hereof that might affect the opinions expressed herein and any person relying on this opinion letter at any time after the date hereof should seek the advice of its counsel as to proper application of this opinion letter at such time.

This opinion is limited to matters of the law in force in the Relevant Jurisdiction on the date hereof. We express no opinion with respect to the law of any other jurisdiction.

We are furnishing this opinion letter to you, solely for your benefit in your capacity as party of the Opinion Documents and may be relied upon by yourselves, your legal advisers, the IDB and their legal advisers, but may not be used or relied upon by any other person in any other circumstance without our prior written consent.

Yours faithfully,

FORM OF OPINION OF NEW YORK COUNSEL

(See Section 5.1.7.2 (*Legal Opinions*) of the Loan Agreement)

[]

To the Addressees listed on Schedule 1

Re: Cuenta Especial de Reembolso

Ladies and Gentlemen:

We have acted as special New York counsel to (i) Cuenta Especial de Reembolso, an autonomous legal patrimony created pursuant to Law 20,206 of the Republic of Chile (the “Borrower”), (ii) Administrador Financiero de Transantiago S.A., in its individual capacity (in such capacity, “AFT”) and (iii) Administrador Financiero de Transantiago S.A., in its capacity as administrator of certain accounts (in such capacity, the “Administrator”, and together with AFT and the Borrower, collectively, the “Opinion Parties” and each, individually, an “Opinion Party”), in connection with the transactions contemplated by the Loan Agreement, dated as of June [], 2008 (the “Loan Agreement”), among the Borrower, AFT, the Administrator and Inter-American Development Bank (the “Lender”). This opinion is being delivered pursuant to Section 5.1.7.2 of the Loan Agreement.

In connection with this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the documents listed on Exhibit A attached hereto (collectively, the “Opinion Documents”).

Capitalized terms that are defined in the Loan Agreement and not otherwise defined in this opinion are used in this opinion as so defined. As used herein, (i) “NY UCC” means the Uniform Commercial Code as in effect on the date hereof in the State of New York; (ii) “Federal Book-Entry Regulations” means (x) the United States Department of the Treasury’s regulations governing “Securities” (as defined in 31 C.F.R. § 357.2) issued by the United States Treasury and maintained in the form of entries in the federal reserve banks’ book-entry system known as the Treasury/Reserve Automated Debt Entry System (TRADES), as such regulations are set forth in 31 C.F.R. Part 357 and (y) regulations analogous and substantially similar to the regulations described in clause (ii) above governing any other automated book-entry system operated by the United States Federal Reserve Banks in which securities issued by government sponsored enterprises are issued, recorded, transferred and maintained in book-entry form; and (iii) “Book Entry Securities” means securities issued in book entry form by the United States Treasury or any government sponsored enterprise and subject to the Federal Book-Entry Regulations, including without limitation Book-entry Securities (as defined in 31 C.F.R Section 357.2) and Book-Entry GSE Securities (as defined in 24 C.F.R. Section 81.2).

In our examination of the Opinion Documents and all other agreements, certificates and other documents submitted to us, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed, photostatic or other electronic copies or facsimiles and the authenticity of the original of such copies.

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such corporate records, agreements, documents and other instruments, and such certificates and comparable documents of public officials and of officers and representatives of each Opinion Party as we have deemed relevant as a basis for the opinions hereinafter set forth. We have also relied, without independent investigation or verification of any kind, on the representations and warranties and recitals contained in each of the Opinion Documents and in the certificates delivered pursuant to the terms thereof with respect to the accuracy of factual matters contained therein (which were not independently established by us).

With your approval, we have also assumed, without any independent investigation or verification of any kind, that:

(i) Each Opinion Party has been duly organized and is validly existing in good standing under the laws of its jurisdiction of incorporation or organization and as a legal entity with appropriate legal personality has the power and authority (corporate, limited liability company, partnership, patrimonio or otherwise) to execute, deliver and perform its obligations under the Opinion Documents to which it is a party;

(ii) Each Opinion Document has been duly authorized, executed and delivered by each Opinion Party that is a party thereto;

(iii) Each Opinion Document constitutes the valid and binding obligation of each party thereto, enforceable against such party in accordance with its terms (except that no such assumption is made with respect to each Opinion Party to the extent matters assumed hereby are expressly addressed in our opinion in paragraph 1 below);

(iv) The execution, delivery and performance by each Opinion Party of each Opinion Document to which it is a party does not and will not violate, contravene or conflict with (a) the Organizational Documents of such Opinion Party; (b) any agreement or instrument to which it is a party or by which its properties or assets are bound; (c) any judgment, injunction, order or decree that is binding upon such Opinion Party or its properties or assets; or (d) the provisions of any laws or governmental rules or regulations that may be applicable to such Opinion Party (except, in the case of (d), to the extent expressly addressed in our opinion in paragraph 2 below);

(v) Each Opinion Party has fully and timely performed all of its covenants and obligations under each Opinion Document to which it is a party and all of the representations and warranties and recitals with respect to factual matters in all Opinion Documents were true and correct as and when made or deemed made or repeated;

(vi) All relevant and necessary authorizations, consents, approvals, licenses or other action required by or from any Opinion Party in connection with any of the Opinion Documents (including, without limitation, from the Operators in respect of the matters referenced in Article 4 and Schedule 1 of the Loan Agreement) have, as a factual matter, been obtained and are in full force and effect (except to the extent expressly addressed in our opinion in paragraph 3 below);

(vii) There are no other arrangements among any of the parties of the Opinion Documents which modify or supersede any of the terms of the Opinion Documents; and

(viii) AFT and the Administrator are each required to undertake their respective obligations under the Financing Documents pursuant to valid, binding and enforceable obligations under Law 20,206 of the Republic of Chile and the mandatory requirements thereunder of the Ministerio de Transportes y Telecomunicaciones de la República de Chile.

Based upon and subject to the foregoing, and subject to the assumptions, exemptions and qualifications herein stated, we are of the opinion that:

1. Each of the Opinion Documents to which any Opinion Party is a party constitutes the valid and binding obligation of such Opinion Party, enforceable against such Opinion Party in accordance with its terms.

2. Neither the execution, delivery or performance by any Opinion Party of the Opinion Documents to which such Opinion Party is a party, nor compliance by such Opinion Party with the terms and provisions thereof, will result in any violation of any applicable law, rule or regulation of the United States or the State of New York.

3. No order, consent, approval, license or authorization of, or filing, recording or registration with, or exemption by, any New York or United States governmental or public body or authority, which in our experience is normally applicable to transactions of the type contemplated in the Opinion Documents, is required to authorize, or is required in connection with, (i) the execution, delivery and performance by any Opinion Party of the Opinion Documents, or (ii) the validity, binding effect or enforceability against any Opinion Party of any such Opinion Document.

4. The provisions of the Securities Accounts Administration and Control Agreement are effective to create in favor of the Deutsche Bank Trust Company Americas, as Collateral Trustee (the "Collateral Trustee") a security interest in that portion of the Account Collateral (as defined in Section 2.4 of the Securities Accounts Administration and Control Agreement) in which a security interest may be created under Article 9 of the NY UCC (the "Article 9 Collateral").

5. Pursuant to the terms of the Securities Accounts Administration and Control Agreement, the Collateral Trustee will have: (a) "control" within the meaning of Sections 8-106 and 9-106 of the NY UCC of Account Collateral consisting of the DSRA and security entitlements to financial assets credited to the DSRA and (b) by virtue of such control, a perfected security interest in all of the Borrower's right, title and interest in and to such Account Collateral.

6. The choice of New York law as the governing law of each of the Opinion Documents is a valid choice of law.

7. The consent by the Opinion Parties in each of the Opinion Documents to the jurisdiction of New York State courts is a valid consent to the jurisdiction of such courts.

8. No stamp, registration, documentary or similar tax is payable in the State of New York in respect of the execution, delivery or enforcement of the Opinion Documents, other than filing fees and similar charges payable in the event of litigation or similar enforcement proceedings.

9. An arbitral award obtained in compliance with the arbitration provisions of the Loan Agreement would be recognized and enforced by (i) a court of the State of New York, subject to the limitations set forth in Article 75 of the CPLR, and (ii) the United States District Court of the Southern District of New York, subject to the limitations set forth in Title 9 of the United States Code and in the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards dated June 10, 1958.

Our opinions set forth above are subject to the following qualifications and limitations:

(a) The foregoing opinions with respect to the Opinion Documents, or any of them, are subject to (1) all applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfer) and other similar laws affecting the enforcement of creditors' rights generally and (2) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), including, without limitation, (x) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (y) concepts of materiality, reasonableness, good faith and fair dealing. Our opinions herein are also subject to the effect of applicable law that may limit the enforceability of, or render ineffective, certain of the remedial or procedural provisions contained in the Opinion Documents, although the inclusion of such provisions does not (subject to the other assumptions, exceptions and qualifications set forth in this opinion) make the remedies afforded by the Opinion Documents inadequate for the practical realization of the principal benefits purported to be afforded thereby.

(b) In connection with our opinion set forth in paragraph 1 above, such opinion is limited to the extent that a U.S. Federal court may not give effect to (x) the waiver of any objection to the laying of venue and of any claim of forum non conveniens and (y) the forum selection provisions contained in each Opinion Document (and we note that an objection to venue or that a court is an inconvenient forum may be raised by the court).

(c) We express no opinion as to:

(i) the enforceability of any provisions contained in the Opinion Documents that purport to establish (or may be construed to establish) evidentiary standards;

(ii) the subject matter jurisdiction of any U.S. Federal court or the effectiveness of any waiver of trial by jury;

(iii) the legality, validity, binding effect or enforceability of any provision of any of the Opinion Documents insofar as they provide for the payment or reimbursement of default interest, costs and expenses or indemnification for claims, losses, or liabilities in excess of a reasonable amount determined by a court or other tribunal;

(iv) the effect of the compliance or noncompliance of the Lender or the Collateral Trustee (each a “Secured Party”) with any state or U.S. federal laws or regulations (including, without limitation, any unpublished order, decree, or directive issued by any Governmental Authority) applicable to any Secured Party because of its legal or regulatory status, the nature of its business, or its authority to conduct business in any jurisdiction;

(v) any waivers or variations of rights or obligations of a debtor or duties of a secured party referred to in, or under provisions referred to in, Sections 1-102(3) and 9-602 of the NY UCC;

(vi) the enforceability of any provisions of the Opinion Documents that provide that the assertion or employment of any right or remedy shall not prevent the concurrent assertion or employment of any other right or remedy, or that each and every remedy shall be cumulative and in addition to every other remedy or that any delay or omission to exercise any right or remedy shall not impair any other right or remedy or constitute a waiver thereof;

(vii) the enforceability of (A) any indemnification, exculpation, contribution or limitation of liability provisions in the Opinion Documents to the extent the rights to indemnification, exculpation, contribution or limitation provided for therein are violative of, or are unenforceable under, any law, rule or regulation or public policy, (B) any provisions that limit assignment or constitute a waiver of illegality or of rights and duties which cannot, as a matter of law, be effectively waived, (C) any provisions in the nature of liquidated damages or providing for forfeiture or recovery of, or securing, amounts deemed penalties, (D) any provisions appointing attorneys in fact or conferring powers of attorney or providing that any determination by you will be conclusive or binding on any Opinion Party, (E) any provision of the Opinion Documents where circumstances have rendered performance by any party thereto impossible, (F) any provision in an Opinion Document that purports to affect the rights of Persons not party to such Opinion Document, (G) any requirement in the Opinion Documents that the provisions thereof may only be waived or amended in writing, or (H) any provision stating that the partial invalidity of one or more provisions of any of the Opinion Documents shall not invalidate the remaining provisions thereof;

(viii) the applicability to any Opinion Document or the transactions contemplated thereby of Section 548 of 11 U.S.C. § 101 et seq. (the “Bankruptcy Code”) or Article 10 of the New York Debtor and Creditor Law relating to fraudulent transfers and obligations;

(ix) the effect on the obligations of any Person under the Opinion Documents of (A) any modification to or amendment of the obligations of such Person that materially increases those obligations or (B) any other action by any entity (other than such Person) that materially prejudices such Person under the Opinion Documents, if, in any such instance, such modification, amendment or action occurs without the consent of such Person;

- (x) any documents, agreements or instruments referred to in the Opinion Documents (even if incorporated therein by reference) or to any schedules or exhibits not expressly identified in this opinion as having been examined by us;
 - (xi) the security interest under the Securities Accounts Administration and Control Agreement in any item of collateral subject to any restriction on or prohibition against transfer contained in or otherwise applicable to such item or any agreement, license, permit, security, instrument or document constituting, evidencing or relating to such item, except to the extent that any such restriction or prohibition is rendered ineffective pursuant to any of Sections 9-406 through 9-409, inclusive, of the NY UCC;
 - (xii) any provisions of the Opinion Documents which constitute an agreement of the parties to agree at a future time;
 - (xiii) whether the description of any Account Collateral contained in the Securities Accounts Administration and Control Agreement is sufficient within the meaning of Section 9-108 of the NY UCC except to the extent that such Account Collateral is described by category or by a type of collateral defined in the NY UCC;
 - (xiv) the enforceability of any provision of the Opinion Documents granting to any Person any right of setoff beyond that provided by law;
 - (xv) any provision of any of the Opinion Documents that purports to provide voting rights with respect to any Account Collateral to the extent that the enforceability of such voting rights would be determined by reference to the laws of any jurisdiction other than the State of New York or to any applicable organizational or constitutive documents governed by the laws of the State of New York;
 - (xvi) the enforceability of any waiver of immunity (including sovereign immunity) or any provision providing for the time of payment, amount or rate of exchange of a judgment rendered in another currency or any indemnity against loss in converting into a specified currency the proceeds or amount of a court judgment in another currency;
 - (xvii) the enforceability of any provisions of any agreement or document to the extent that such provisions limit assignment or constitute a waiver of illegality or of rights and duties which cannot, as a matter of law, be effectively waived;
 - (xviii) Section 2.8(k) of the Securities Accounts Administration and Control Agreement; and
 - (xix) the effect of Section 8.11 of the Loan Agreement on the first sentence of Section 8.10.11 of the Loan Agreement and of Section 6.5 of the Securities Accounts Administration and Control Agreement on Section 6.4(c) of the Securities Accounts Administration and Control Agreement.
- (d) The laws of the State of New York generally impose an obligation of good faith and fair dealing in the performance and enforcement of contracts. Notwithstanding certain language of the Opinion Documents, the Secured Parties may be limited to recovering only reasonable expenses

with respect to the taking, holding, preparing, selling, leasing or similar activities with respect to the Account Collateral.

(e) We express no opinion as to (i) the title of any entity to or in, or the existence of, any collateral or property and we call your attention to the fact that the security interest created in any Account Collateral under the Securities Accounts Administration and Control Agreement will not attach to such Account Collateral until value has been given and such entity has rights therein or the power to transfer rights therein, (ii) the perfection, except to the extent provided in paragraph 5 above, or priority of any security interest created under the Securities Accounts Administration and Control Agreement, (iii) whether or to what extent any transactions contemplated by the Opinion Documents will be characterized as sales, absolute assignments or transfers for security, or (iv) the effect of the bankruptcy, insolvency or receivership of the Collateral Trustee or any securities intermediary.

(f) In the case of collateral acquired by the Borrower after the date hereof, Section 552 of the Bankruptcy Code limits the extent to which property acquired by a debtor after the commencement of a case under the Bankruptcy Code may be subject to a security interest arising from a security agreement entered into by the debtor before the commencement of such case.

(g) Our opinion in paragraph 1 above insofar as it concerns the choice of New York as the governing law and the submission to jurisdiction of New York courts is rendered in reliance upon the Act of July 19, 1984, ch. 421, 1984 McKinney's Sess. Law of N.Y. 1406 (codified as N.Y. Gen. Oblig. Law §§ 5-1401, 5-1402 (McKinney 2001) and N.Y. C.P.L.R. 327(b) (McKinney (2001)) (the "Act") and is subject to the qualifications that the enforceability of such choice of law provisions may be limited by public policy considerations of any jurisdiction, other than the courts of the State of New York, in which enforcement of such provisions, or of a judgment upon an agreement containing such provisions, is sought as specified in the Act. The choice of New York law does not apply to the extent provided to the contrary in subsection two of Section 1 105 of the NY UCC and the application of New York law, pursuant to the Act, to a transaction that has no contact or only insignificant contact with New York State may raise constitutional issues.

(h) Our opinions in paragraphs 4 and 5 above are limited to Articles 8 and 9 of the NY UCC, and the Federal Book-Entry Regulations and therefore those opinion paragraphs do not address (i) laws of jurisdictions other than New York and the Federal laws of the United States, (ii) laws of New York and the Federal laws of the United States other than Articles 8 and 9 of the NY UCC and the Federal Book-Entry Regulations, (iii) collateral of a type not subject to Articles 8 and 9 of the NY UCC or the Federal Book-Entry Regulations and (iv) under the NY UCC what law governs perfection of the security interests granted in the collateral covered by this opinion letter.

(i) In connection with our opinion in paragraph 5, we have assumed that the Collateral Trustee is a "securities intermediary" (as defined in Section 8 102(a)(14) of the NY UCC), that the DSRA will constitute a "securities account" (within the meaning of §8-501(a) of the NYUCC) of the Borrower and that an agreement governing the securities accounts described therein between the securities intermediary and the entitlement holder expressly provides that New York is such securities intermediary's jurisdiction for purposes of Section 8-110(e) of the NY UCC. We have

also assumed, in connection with our opinion in paragraph 5, that (i) the DSR Account (as defined in the Securities Accounts Administration and Control Agreement) has been established and will be maintained in the manner set forth in the Securities Accounts Administration and Control Agreement, (ii) any property credited to or in such securities account is credited to such securities account constitutes a “financial asset” (within the meaning of §§8-102(a)(9) and 8-103 of the NY UCC), and (iii) none of the property in such securities account is registered in the name, or payable to the order of, or specifically endorsed to the Borrower or any person other than the Collateral Trustee.

(j) We express no opinion as to any security interest in any item of Account Collateral constituting an obligation of or securities issued by any government or any agency, instrumentality or political subdivision thereof other than Federal Book-Entry Securities.

(k) To the extent any of the Account Collateral consists of financial assets issued by the United States Treasury or certain government sponsored enterprises, certain federal officials, including the Secretary of the Treasury and the Secretary of the Department of Housing and Urban Development, may waive the Federal Book-Entry Regulations, and we express no opinion as to the effect of any such waiver on the opinions expressed herein.

(l) We express no opinion as to the enforceability of any provisions of any Opinion Document to the extent that such provisions limit assignments or pledges of assets or rights.

(m) We call to your attention that under the NY UCC, events occurring subsequent to the creation of a security interest subject to the NY UCC may affect such security interest, including, but not limited to, factors of the type identified in Section 8-110(e) of the NY UCC with respect to the “jurisdiction” of a “securities intermediary”; Sections 9-203 and 9-315 of the NY UCC with respect to proceeds; Section 9-316 of the NY UCC with respect to changes in governing law or the location of the debtor; Sections 9-507 and 9-508 of the NY UCC with respect to the name and identity of the debtor; Section 9-339 of the NY UCC with respect to subordination agreements; Section 9-515 with respect to continuation statements; Sections 9-320, 9-330 and 9-331 of the NY UCC with respect to subsequent purchasers of collateral and Section 9-332 with respect to transfer of funds from deposit accounts. In addition, actions taken by a secured party (e.g., releasing or assigning the security interest, delivery of possession of the collateral to the debtor or another Person and voluntarily subordinating a security interest) may affect the validity, perfection or priority of a security interest. We express no opinion as to the creation or perfection of a security interest in commercial tort claims or in patents, trademarks, copyrights or other intellectual property.

(n) We express no opinion as to (1) Federal or state securities laws or regulations; (2) Federal or state antitrust or unfair competition laws or regulations; (3) Federal or state banking, insurance or tax laws or regulations; (4) FERC filings, Federal or state public utility laws or regulations, including Public Utility Holding Company Act of 2005; (5) pension or employee benefit laws or regulations, including the Employee Retirement Income Security Act of 1974, as amended, and regulations issued thereunder; (6) Federal or State zoning, environmental, forest service, public lands, mining, health and safety, building and land use laws; (7) Federal or state laws, regulations or

policies relating to national or local emergencies; (8) statutes, ordinances, administrative decisions, rules or regulations of counties, towns, municipalities or special political subdivisions (whether created or enabled through legislative action at the Federal, state or regional level); (9) the USA Patriot Act (Title III of Public L. 107-56) or other anti-money laundering laws and regulations; (10) any other laws to the extent not customarily applicable to transactions of the type contemplated by the Opinion Documents; (11) judicial decisions to the extent that they deal with any of the foregoing; (12) the effect of any rule adopted by a “clearing corporation” (within the meaning of §§8-102(a)(5) and 8-111 of the NY UCC); (13) the effect of any judicial, administrative or other action giving effect to the actions of foreign courts or other foreign governmental authorities or to foreign laws; and (14) (i) the Trading With the Enemy Act or any regulations issued thereunder, including regulations of the Office of Foreign Assets Control, (ii) the International Emergency Economic Powers Act, 50 U.S.C.A. §1701 et seq., of the United States, or (iii) all United States Executive Orders (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or support Terrorism), rules, regulations (including those from the Office of Foreign Assets Control of the U.S. Department of the Treasury), and other official acts promulgated under any of the foregoing.

We do not express any opinion with respect to the laws of any jurisdiction other than the federal laws of the United States and the laws of the State of New York which, in each case, in our experience are normally applicable to transactions of the type contemplated by the Opinion Documents or their effects. Insofar as our opinions relate to the Federal Book-Entry Regulations, such opinions are limited to regulations published in the Code of Federal Regulations, without regard to any interpretations, operating circulars or other communications from the Department of the Treasury, the Board of Governors of the Federal Reserve System, any Federal Reserve Bank, the Department of Housing and Urban Development or any other federal agency or instrumentality. This opinion letter shall be interpreted in accordance with the customary practice of lawyers in New York who regularly give and lawyers who on behalf of their clients regularly advise opinion recipients regarding opinions in transactions of this type. Notwithstanding the foregoing, we call to your attention that the opinion provided herein may be further limited by the effect of the limitations set forth in the opinion of the law firm of Guerrero, Olivos, Novoa, y Errázuriz Limitada, a copy of which is being delivered to each of you concurrently herewith, including, without limitation, the issues relating to the constitutionality under Chilean law of the transaction contemplated in the Opinion Documents or the establishment of the Borrower.

This opinion is rendered to the addressees hereof solely in connection with the transactions described herein and may not be relied upon by you for any other purpose and may not be used or relied upon by, or published or communicated to, any Person other than the addressees hereof for any purpose whatsoever without our prior written consent in each instance, except that a copy of this opinion may be furnished (but such recipients may not rely on this opinion) without our prior written consent to (i) any of your successors or assigns or prospective successors or assigns, (ii) your legal and other advisors, (iii) any legislative, administrative, regulatory or judicial body if required by applicable law and (iv) any Person pursuant to legal process. This opinion may be relied upon solely as of the date hereof, and we undertake no obligation to update or supplement this opinion after the date hereof for any addressee or any other Person or to advise you of any facts,

circumstances or changes in law occurring subsequent to the date of this letter, regardless of whether they affect the opinions stated herein.

Very truly yours,

Schedule I

Addressees

1. Inter-American Development Bank
2. Deutsche Bank Trust Company Americas, as Collateral Trustee
3. Administrador Financiero de Transantiago S.A.

Exhibit A

Opinion Documents

1. Loan Agreement, together with Schedules 1 (Project Accounts and Daily Provision Mechanism), 8 (Loan Repayment Schedule) and 11 (Other Project Events of Default) thereto
2. Securities Accounts Administration and Control Agreement

FORM OF OPINION OF CORFO'S COUNSEL

(See Section 5.1.7.3 (*Legal Opinions*) of the Loan Agreement)

[]

To: INTER-AMERICAN DEVELOPMENT BANK

Dear Sirs,

We have acted as counsel to Corporación de Fomento de la Producción, an autonomous body of the State of Chile ("Corfo") in connection with the execution of the Participation Agreement, between Corfo and the Interamerican Development Bank dated • and the PCS, as such terms are defined in the Loan Agreement among CUENTA ESPECIAL DE REEMBOLSO created pursuant to Law 20,206 (the "Borrower"), represented by ADMINISTRADOR FINANCIERO DE TRANSANTIAGO S.A., (the "AFT") in the jurisdiction of the Republic of Chile (the "Relevant Jurisdiction") and INTER-AMERICAN DEVELOPMENT BANK (the "IDB") dated as of [June ***, 2008] (the "Loan Agreement").

Terms defined in the Loan Agreement shall have the same meaning herein.

1. OPINION DOCUMENTS

1.1 In arriving at the opinions expressed below, we have examined and relied upon a copy of executed (except as noted in paragraph 1.1.5 below) versions:

1.1.1 the executed Participation Agreement;

1.1.2 the PCS;

1.1.3 the PCS Regulation;

(all of the foregoing, together the "Opinion Documents").

1.2 In arriving at the opinions expressed below, we have also examined and relied upon the following:

1.2.1 the Organizational Documents of Corfo;

1.2.2 a resolution by the relevant corporate bodies of Corfo authorizing the execution, delivery and performance of the Opinion Documents and the transactions contemplated thereby;

1.2.3 a certified copy of the power of attorney granted to the persons authorized to execute and deliver the Opinion Documents and the transactions contemplated thereby on behalf of the Borrower;

1.2.4 all documents evidencing other necessary corporate action and Authorizations with respect to the Opinion Documents;

1.2.5 Certificate of Incumbency and Authority of Corfo certifying the names and true signatures of the officers of Corfo authorized to sign the Opinion Documents; and

1.2.6 The decision of the Chilean Constitutional Court dated May 22, 2008.

2. ASSUMPTIONS

2.1 The signatures of all executed documents that we have examined are genuine;

2.2 Each of the Opinion Documents has been duly authorized, executed and delivered by each of the persons party thereto (other than Corfo), each such person (other than Corfo) has full power, authority and legal right to enter into and perform its obligations under the financing agreements;

2.3 Documents which have been provided to us in photocopy form or any form other than the original are true and correct copies of their originals.

3. OPINIONS

Based upon and subject to the foregoing we are of the opinion, as of this date, that:

3.1 Status

Corfo is an autonomous body of the State of Chile duly created by virtue of law and validly existing under the laws of the Relevant Jurisdiction.

3.2 Due Authorization

Corfo has the power and authority to enter into, deliver and perform its obligations under the Opinion Documents and all necessary action has been taken to enable it validly to execute and deliver the Opinion Documents.

3.3 Conflict

Neither the execution nor the delivery of the Opinion Documents nor the performance of its obligations thereunder conflict with:

3.3.1 any present law, regulation, treaty or rule of the Relevant Jurisdiction or any order of any governmental, judicial or other authority of the Relevant Jurisdiction that we are aware of, or any contract which is binding on them that we are aware of in any respect; or

3.3.2 the constitutional documents of Corfo in any respect.

3.4 Legal, Valid, Binding and Enforceable Obligations

3.4.1 Each Opinion Document has been validly and properly executed and delivered (where appropriate) by Corfo.

3.4.2 The obligations of Corfo under the Opinion Documents are legal, valid, binding and enforceable under the laws of the Relevant Jurisdiction. In particular, the PCS constitutes a valid and legally binding obligation of Corfo, enforceable in accordance with the Opinion Documents.

3.4.3 The Opinion Documents are in proper legal form under the laws of the Relevant Jurisdiction for the enforcement thereof against Corfo, in the Relevant Jurisdiction.

3.4.4 The Opinion Documents do not have illicit object (“objeto ilícito”), illicit consideration (“causa ilícita”) and do not contravene the public policy (“orden público”), moral or good customs according to the law of the Relevant Jurisdiction.

3.5 Filings, Registrations or Consents

It is not necessary under the laws of the Relevant Jurisdiction that:

3.5.1 any Opinion Document be filed, registered, recorded or notarised before or with any court or public office, other than the refrendación of the PCS by the Contraloría General de la República, which refrendación has been obtained and is in full force and effect; or

3.5.2 any stamp or documentary tax or any other tax or duty whatsoever be paid, given that under the Agreement Establishing the Inter-American Development Bank dated December 30, 1959, the provisions of Law No. 13.904, the provisions of Decree No. 602 of 1959 and the provisions of Supreme Decree No. 266, of the Chilean Foreign Affairs Ministry, published in the Chilean Official Gazette on April 30, 1970, IDB and its Property, income and transactions are immune from all Taxes imposed by IDB Members; or

3.5.3 any consent, approval or authorization of any person or authority (including without limitation, any tax or other monetary authority) be obtained, other than (i) the authorizations and consents required pursuant to Law No. 20,206 and the Government of Chile Reimbursement Agreement; (ii) the approval or toma de razón, by the Contraloría General de la República of (x) the supreme decrees of MTT and the Ministry of Finance authorizing the term and conditions of the Loan, (y) the Reglamento de Cobertura de Préstamos para el Desarrollo de Alternativas de Financiamiento para el Funcionamiento del Sistema de Transporte Público de la ciudad de Santiago, and (z) the supreme decrees of the Ministry of Finance (1) amending supreme decree No.793 of 2004 of the Ministry of Finance which increases the amount of Corfo’s Fondo de Cobertura de Riesgo, and (2) transferring to Corfo US\$320,000,000 for purposes of granting the PCS and (iii) the refrendación by the Contraloría General de la República of the PCS granted to the IDB by Corfo, all of which have been obtained or;

3.5.4 any other action whatsoever be taken except for the legal notices and judicial proceedings’ that the IDB needs to perform in the event of default of the Borrower so to collect pursuant to the PCS.

to ensure the legality, validity, enforceability and the admissibility in evidence of the y of the Opinion Documents.

3.6 Withholding Tax

There is no withholding or other tax or duty imposed by the Relevant Jurisdiction on any payment to be made by Corfo pursuant to the Opinion Documents.

3.7 Bank Domicile and Place of Business

3.7.1 The IDB is not or will not become (or be deemed to have become) resident, domiciled, engaged in the carrying on of business or subject to taxation in the Relevant Jurisdiction by reason only of the negotiation, preparation, execution, delivery, performance or enforcement of or receipt of any payment under the Opinion Documents; and

3.7.2 it is not necessary for the IDB to establish a place of business (or be licensed, qualified or otherwise entitled to carry on business) in the Relevant Jurisdiction or to meet any other criteria applicable under the laws of the Relevant Jurisdiction for the entry into, performance or enforcement of the Opinion Documents or for the enforcement of the security interests created pursuant thereto.

3.8 Ranking of Claims

Under the laws of the Relevant Jurisdiction, the claims of the IDB against Corfo under the Opinion Documents constitute direct, and general obligations of Corfo and will rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations having priority by operation of law such as claims for taxes, court-related expenses, salaries and social securities charges or other statutory matters, provided, however, that all such claims are made pursuant to the terms and conditions of the Opinion Documents.

3.9 Interest

There is no applicable usury or interest limitation law in the Relevant Jurisdiction which might restrict the exercise by the IDB of their rights under the Opinion Documents.

3.10 Exchange Control or the Limitation on Remitting Funds

Payments by Corfo under the Opinion Documents and the proceeds of any judgment obtained in respect of the Opinion Documents may be remitted to the IDB out of the Relevant Jurisdiction without restriction and without the need to obtain any consent, approval, licence or permission of any person or authority, other than for the requirement of remitting the funds through the formal exchange market, according to the Central Bank of Chile rules, and all amounts payable by Corfo under the Opinion Documents may be paid in the currency in which these amounts are expressly stated to be payable.

3.11 Immunity and Set Off

Corfo nor any of its property has any immunity (sovereign or otherwise) from any legal action, suit or proceeding (whether service of notice, attachment prior to judgment, attachment in aid of

execution of judgment, execution of judgment or otherwise) or from the jurisdiction of any court or from set off.

Our opinion is subject to the reservations that enforcement of the Opinion Documents, may be limited or affected by: (i) general rules and laws relating to bankruptcy, insolvency, liquidation, fraudulent transfer, reorganization and other rules and laws of general application affecting the rights and remedies of creditors; and (ii) an implied covenant of good faith and fair dealing.

Our opinion is also subject to the reservation that in the past other financings provided to the Borrower have been contested on grounds of constitutionality before the Chilean Constitutional Court and that the Chilean Constitutional Court has rejected such filings or procedures, but no assurance or opinion can be given that if there is a filing or procedure before the Tribunal Constitucional of the Republic of Chile in connection with the constitutionality of the Opinion Documents or decrees, permits or authorizations related thereto, the Chilean Constitutional Court will decide in the same manner.

We assume no obligation to advise you or any other person, or to make any investigations, as to any legal developments or factual matters arising subsequent to the date hereof that might affect the opinions expressed herein and any person relying on this opinion letter at any time after the date hereof should seek the advice of its counsel as to proper application of this opinion letter at such time.

This opinion is limited to matters of the law in force in the Relevant Jurisdiction on the date hereof. We express no opinion with respect to the law of any other jurisdiction.

We are furnishing this opinion letter to you, solely for your benefit in your capacity as party of the Opinion Documents and may be relied upon by yourselves, your legal advisers, the IDB and their legal advisers, but may not be used or relied upon by any other person in any other circumstance without our prior written consent.

Yours faithfully,

FORM OF PROMISSORY NOTE

(See Section 3.22 (*Notes*) of the Loan Agreement)

PAGARÉ

<p>*** dólares de los Estados Unidos de América.</p> <p>Santiago de Chile, *** de *** de 2008</p> <p>POR VALOR RECIBIDO, ADMINISTRADOR FINANCIERO DE TRANSANTIAGO S.A. (“AFT”), actuando exclusivamente en representación de la cuenta especial de reembolso a que se refiere el artículo 7 de la ley número 20.206 y el Convenio de Restitución de Aportes Reembolsables del Fondo de Estabilización Financiera del Sistema suscrito por el Ministerio de Transportes y Telecomunicaciones, en adelante “MTT”, el AFT y los concesionarios de servicio público de transporte de pasajeros de la ciudad de Santiago, en adelante también la “Cuenta Especial de Reembolso”, la “Cuenta” o el “Deudor”, debe y promete pagar incondicionalmente, con cargo exclusivo a la Cuenta, a Banco Interamericano de Desarrollo (el “Acreedor”) la suma de US\$ *** (***) Dólares de los Estados Unidos de América, “Dólares”).El Deudor deberá efectuar el pago del capital en cada Fecha de Pago. Se entiende por Fecha de Pago el día 15 de febrero de 2011 y el día 15 de cada mes siguiente a esa fecha, hasta (e incluyendo) la Fecha de Vencimiento Final. Se entiende por Fecha de Vencimiento Final el día 15 de enero de 2024.Las cantidades adeudadas al Acreedor serán pagadas de acuerdo con el siguiente calendario:</p>	<p>*** United States Dollars.</p> <p>Santiago de Chile, *** ***, 2008</p> <p>FOR VALUE RECEIVED, ADMINISTRADOR FINANCIERO DE TRANSANTIAGO S.A. (“AFT”), acting exclusively on behalf of the cuenta especial de reembolso referred to in article 7 of Law No. 20,206 and in the “Convenio de Restitución de Aportes Reembolsables del Fondo de Estabilización Financiera del Sistema” entered into by and between the “Ministerio de Transportes y Telecomunicaciones” (the “MTT”), AFT and the concessionaires of services of public transportation of passengers of the city of Santiago, hereinafter the “Cuenta Especial de Reembolso”, the “Account” or the “Debtor”, owes and promises to unconditionally pay, using exclusively funds from the Account, to Inter-American Development Bank (the “Lender”) the amount of US\$ *** (***)Dollars of the United States of America, “Dollars”).Payment of principal shall be made by the Debtor on each Loan Repayment Date. Loan Repayment Date shall mean February 15th, 2011, and the 15th day of each month thereafter, to (and including) the Final Maturity Date. Final Maturity Date shall mean January 15th 2024.Amounts owed to the Lender shall be repaid according to the following schedule:</p> <p>INSERT SCHEDULE</p>
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INSERTAR CALENDARIO

El pago deberá efectuarse en moneda legal de los Estados Unidos de América, en fondos de disponibilidad inmediata a más tardar a las 11:00 a.m. (hora de Nueva York, Estados Unidos de América) en la fecha en que deba efectuarse dicho pago, en la cuenta del Acreedor en Deutsche Bank Trust Co. Americas, Church Street Station, Atención MT-Foreign Section, New York, New York 10015, Cuenta No. 04025213 (ABA # 021001033) Swift BKTRUS33XXX. Asimismo, el Deudor se obliga incondicionalmente a pagar intereses sobre el saldo insoluto de capital de este Pagaré. El capital adeudado devengará intereses día a día por cada Período de Interés (según se define más abajo) desde e incluyendo el primer día de dicho Período de Interés hasta, pero excluyendo, el último día de dicho Período de Interés, calculado sobre la base de los días efectivamente transcurridos en dicho período y un año de 360 días y serán pagaderos por períodos vencidos en la Fecha de Pago de Intereses que corresponda al final de dicho Período de Intereses. Durante cada Período de Intereses todas las cantidades adeudadas al Acreedor devengarán intereses a una tasa igual a la suma de la tasa LIBOR de un mes que corresponda, más 3,50% anual. Si cualquier Fecha de Pago de Capital o cualquier Fecha de Pago de Intereses cayera en un día que no sea un Día Hábil, dicha cuota se pagará al Día Hábil inmediatamente siguiente, salvo que dicho Día Hábil cayera en otro mes calendario, caso en el cual dicha cuota se pagara el Día Hábil inmediatamente anterior. Si el Deudor no pagare el capital o los intereses devengados adeudados en virtud de este Pagaré en la fecha de su respectivo vencimiento, dará derecho al Acreedor a exigir el pago total y anticipado de todo monto adeudado por el Deudor bajo el

Payment shall be made in lawful currency of the United States of America, in immediately available funds, not later than 11:00 a.m. (New York time) on the due date, to the account of the Lender at the Deutsche Bank Trust Co. Americas, Church Street Station, Attention MT-Foreign Section, New York, New York 10015, Account No. 04025213 (ABA # 021001033) Swift BKTRUS33XXX. Also, the Debtor hereby unconditionally promises to pay interest on the unpaid principal amount hereof. Interest shall accrue from day to day for any Interest Period (as defined below) from and including the first day of such Interest Period to, but excluding, the last day of such Interest Period computed on the basis of actual number of days elapsed in such Interest Period and a year of three hundred and sixty (360) days and be payable in arrears on the Interest Payment Date falling at the end of that Interest Period. During each Interest Period, any amounts due to the Lender shall bear interest at a rate that is the sum of the prevailing one-month LIBOR plus 3.50% per annum. If any Loan Repayment Date or any Interest Payment Date is not a Business Day the relevant installment shall be payable on the immediately succeeding Business Day, unless such Business Day falls into another calendar month, in which case such installment shall be payable on the immediately preceding Business Day. If the Debtor shall fail to pay principal or any accrued interests payable on this Promissory Note on the date when due, the Lender shall have the right to declare any amount owing by the Debtor to the Lender under this Promissory Note to be immediately due and payable and may declare the total principal amount outstanding under this Promissory Note and all interest thereon to be forthwith due and payable, whereupon this Promissory Note shall become and be forthwith due and payable for all purposes. The Debtor,

<p>presente Pagaré y a hacer inmediata e íntegramente exigible el saldo total de la deuda en capital e intereses debidos, el que se considerará de plazo vencido y exigible para todos los efectos a que haya lugar. Asimismo, el Deudor se obliga incondicionalmente a pagar intereses moratorios al mero requerimiento del Acreedor sobre cualquier suma impaga a la fecha de su respectivo vencimiento conforme a este Pagaré, sea por concepto de capital o intereses, por cada día hasta que se pague dicha suma, a una tasa anual igual a la tasa de interés aplicable en la fecha en que dicho pago se hizo exigible, más 2% anual. Los intereses moratorios se devengarán desde la fecha de la mora o simple retardo hasta la fecha en que la suma adeudada se pague íntegramente. "Período de Interés" significa: (i) cada período de un (1) mes que comienza en una Fecha de Pago de Intereses y que termina en la siguiente Fecha de Pago de Intereses, con excepción de (a) el primero de dichos períodos, que corresponderá al período que comienza en la fecha del presente Pagaré y que terminará en la siguiente Fecha de Pago de Intereses y (b) el último de dichos períodos, que corresponderá al período entre la Fecha de Pago de Intereses correspondiente y la fecha de vencimiento original de este Pagaré. Todos los intereses pagaderos en virtud de este Pagaré se calcularán sobre la base de un año de 360 días y se pagarán por el número de días efectivamente transcurridos (incluyendo el primer día pero excluyendo el último) durante el Período de Intereses. "Dólares" o "US\$" significa la moneda de curso legal de los Estados Unidos de América. "LIBOR" significa la tasa interbancaria ofrecida para depósitos en dólares de los Estados Unidos de América por la British Bankers' Association a las 11:00 a.m., hora de Londres que aparezca en la página pertinente de Reuters Services (actualmente la página LIBOR01) o, en caso de no estar disponible, en la página pertinente de cualquier otro servicio</p>	<p>also, unconditionally promises to pay upon demand by the Lender, default interest on any principal of or interest on this Promissory Note not paid when due, for each day until paid at a rate per annum equal to the interest rate applicable on the date such payment was due, plus 2% per annum. Default interest shall accrue from the date such amount was due until the same is paid in full. "Interest Period" means: (i) each one (1) month period beginning on an Interest Payment Date and ending on the next following Interest Payment Date, except (a) in the case of the first applicable period when it shall mean the period beginning on the date of this Promissory Note and ending on the following Interest Payment Date and (b) in the case of the last applicable period when it shall mean the period beginning on the relevant Interest Payment Date and ending on the date on which this Promissory Note is due. All interest payable hereunder shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day) occurring in the Interest Period. "Dollars" or "US\$" means the lawful currency of the United States of America. "LIBOR" means the British Bankers' Association interbank offered rates as of 11.00 a.m. London time for deposits in United States Dollars that appear on the relevant page of the Reuters Service (currently LIBOR01 page or, if not available, on the relevant pages of any other service (such as Bloomberg Financial Markets Service) that displays such British Bankers' Association rates; provided that if, for any Interest Period, the Lender concludes reasonably in its discretion that it cannot determine LIBOR by reference to any service that displays British Bankers' Association interbank offered rates for deposits in United States Dollars, the Lender shall notify the Debtor and shall instead determine LIBOR: (i) on the Interest Rate Determination Date (as defined below) by</p>
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<p>(como Bloomberg Financial Markets Service) que publique las tasas de la British Bankers' Association, en el entendido que si, para cualquier Período de Interés el Acreedor determina razonablemente, a su sola discreción, que no puede determinar la LIBOR por referencia a cualquiera de los servicios que publican la tasa interbancaria ofrecida para depósitos en dólares de los Estados Unidos de la British Bankers' Association, el Acreedor lo notificará al Deudor y en su lugar determinará la LIBOR:(i) en la Fecha de Determinación de la Tasa de Interés (según se define más adelante), calculando la media aritmética de las tasas ofrecidas que le hayan sido comunicadas al Acreedor a las 11:00 a.m. (o cerca de esa hora), hora de Londres, para depósitos en Dólares por cualesquiera tres (3) bancos importantes activos en el mercado interbancario de Dólares de Londres y que hayan sido seleccionados por el Acreedor, en el entendido que si se recibieren menos de tres cotizaciones, el Acreedor podrá basarse en las recibidas, con tal que no fueren menos de dos (2); o(ii) si en el primer día del Período de Interés respectivo se recibieren menos de dos (2) cotizaciones de bancos en Londres de acuerdo con el número (i) anterior, calculando la media aritmética de las tasas ofrecidas que le hayan sido comunicadas al Acreedor a las 11:00 a.m. (o cerca de esa hora), hora de Nueva York, para préstamos en dólares de los Estados Unidos de América por uno o más bancos importantes en Nueva York, Estado de Nueva York seleccionados por el Acreedor. "Fecha de Pago de Intereses" significa los días 15 de cada mes, hasta la Fecha de Vencimiento Final, comenzando el día 15 de julio de 2008. "Día Hábil" significa un día, que no sea sábado o domingo, en que los bancos estén abiertos para realizar operaciones en la ciudad de Nueva York, Estado de Nueva York y en la ciudad de Santiago, Chile y, para efectos de determinar la LIBOR (a excepción de la sub-</p>	<p>calculating the arithmetic mean of the offered rates advised to the Lender on or around 11.00 a.m. London time, for deposits in Dollars by any three (3) major banks active in Dollars in the London interbank market, selected by the Lender; provided that if fewer than three (3) quotations are received, the Lender may rely on the quotations so received if not less than two (2); or(ii) if fewer than two (2) quotations are received from the banks in London in accordance with sub-clause (i) above, on the first day of the relevant Interest Period, by calculating the arithmetic mean of the offered rates advised to the Lender on or around 11.00 a.m. New York time, for loans in United States Dollars, by a major bank or banks in New York, New York selected by the Lender. "Interest Payment Date" means every 15th day of each month until the Final Maturity Date, starting on July 15th 2008. "Business Day" means a day, other than a Saturday or Sunday, when banks are open for business in the City of New York, New York, and in the of Santiago, Chile and, for the purpose of determining LIBOR (other than pursuant to sub-clause (ii) of the definition of LIBOR), in London, England as well. "Interest Rate Determination Date" means the second (2nd) Business Day prior to an Interest Payment Date. The obligation of the Borrower to repay this Promissory Note shall be discharged only by payment in Dollars in New York City, United States of America. Therefore, the obligation of the Borrower in respect of any sum due to the holder hereof shall, notwithstanding any judgment in a currency other than Dollars, be discharged only to the extent that on the Business Day following receipt by the holder hereof of any sum adjudged to be so due in such other currency, the holder hereof may, in accordance with normal, reasonable banking procedures, purchase Dollars with such other currency. If the amount of Dollars so purchased is less than the sum originally due under this</p>
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<p>cláusula (ii) de esa definición) en Londres, Inglaterra. “Fecha de Determinación de la Tasa de Interés” significa el segundo Día Hábil anterior a una Fecha de Pago de Intereses. La obligación del Deudor de pagar este Pagaré se extinguirá sólo en virtud del pago de Dólares en la ciudad de Nueva York, Estados Unidos de América. Por lo tanto, a pesar de cualquier sentencia que declare una obligación de pago expresada en una moneda distinta del Dólar, las obligaciones del Deudor con respecto a cualquier suma adeudada en virtud de este Pagaré al portador del mismo se extinguirán sólo hasta por el monto por el que el portador pueda, de acuerdo con las prácticas bancarias normales y razonables, adquirir Dólares, con dicha otra moneda, el Día Hábil siguiente a aquél en que el portador de este Pagaré reciba la suma que la sentencia ordenara pagarle en dicha otra moneda. Si la suma de Dólares así adquirida fuere menor que la suma originalmente adeudada conforme a este Pagaré, en Dólares, el Deudor se obliga incondicionalmente, como una obligación separada y no obstante dicha sentencia, a resarcir al portador de este Pagaré por esa pérdida. El Deudor renuncia en este acto a cualquier clase de presentación, demanda, protesto y/o notificación en relación con este Pagaré. Todos los pagos bajo este Pagaré se efectuarán sin compensación, reconvencción u otro tipo de defensa. El Acreedor reconoce y acepta que el tenedor del presente Pagaré sólo podrá ejercer sus derechos de cobro del mismo, en los fondos existentes en la Cuenta, renunciando expresamente desde ya a cualquier derecho de ejercer su cobro sobre el patrimonio del Administrador Financiero de Transantiago S.A. El Deudor se somete irrevocable e incondicionalmente a la jurisdicción de cualquier tribunal del Estado de Nueva York o tribunal federal de los Estados Unidos de América con asiento en la ciudad de Nueva York, Nueva York, Estados Unidos de América,</p>	<p>Promissory Note, in Dollars, the Borrower unconditionally undertakes, as a separate obligation and notwithstanding any such judgment, to indemnify the holder hereof against such loss. The Debtor hereby waives any presentment, demand, protest and/or notice in connection with this Promissory Note. All payments regarding this Promissory Note shall be made without setoff, counterclaim or other defense. The Lender acknowledges and accepts that the holder of this Promissory Note may only enforce his or her rights arising hereof against the monies existing in the Account, expressly waiving any right against the patrimony of Administrador Financiero de Transantiago S.A. The Debtor hereby irrevocably and unconditionally submits to the jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, New York, United States of America, or alternatively, at the option of the beneficiary hereof, to the jurisdiction of the courts sitting in the Comuna of Santiago, Republic of Chile, and in each case to the jurisdiction of any appellate court from any thereof, over any action or proceeding arising out of or relating to this Note. The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. Nothing herein to the contrary shall affect the right of the holder of this Note to (i) commence legal proceedings or otherwise proceed against the Borrower in any jurisdiction or to (ii) serve process in any other manner permitted by the laws of such jurisdiction. To the extent that the Borrower or any of its assets has or hereafter may acquire any right of immunity related to or arising from the transactions contemplated by this Promissory Note, whether characterized as sovereign immunity or otherwise, from any legal proceedings, whether in the United States of</p>
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o, alternativamente, a elección del beneficiario de este Pagaré, a la jurisdicción de los tribunales con asiento en la Comuna de Santiago, República de Chile, y en cada caso a la jurisdicción de cualquier tribunal de apelación de cualquiera de aquellos, sobre cualquier acción o procedimiento derivado de o relacionado con este Pagaré. El Deudor en este acto renuncia incondicional e irrevocablemente, en la mayor extensión en que pueda efectivamente hacerlo, a instaurar cualquiera defensa o excepción sobre la competencia de tales tribunales que entorpezca el curso regular de dicha acción o procedimiento. Ninguna disposición de este Pagaré afectará el derecho del portador del mismo para (i) iniciar cualquiera acción u otro procedimiento legal en contra del Deudor en cualquiera jurisdicción, o para (ii) practicar notificaciones en cualquiera otra forma permitida por las leyes de dicha jurisdicción. En cuanto el Deudor o cualquiera de sus activos tenga, o pudiere adquirir en el futuro, cualquier derecho a inmunidad sobre o relativo a los actos jurídicos contemplados en este Pagaré, se caracterice como inmunidad soberana o de otra forma, respecto a cualquiera procedimiento legal, sea en los Estados Unidos de América, en la República de Chile o en otro lugar cualquiera, para exigir el cumplimiento o cobrar este Pagaré, o cualquiera responsabilidad u obligación del Deudor relativa o que surja de los actos contemplados en este Pagaré, incluyendo, sin limitación, inmunidad frente a notificaciones, a la jurisdicción de, o ejecución en, cualquier corte o tribunal, o frente a la ejecución de un fallo, e inmunidad que ampare a cualquiera de sus activos frente a embargos precautorios, o embargos en el cumplimiento de un fallo, el Deudor en este acto expresa e irrevocablemente renuncia a dicha inmunidad y acuerda no invocar cualquier derecho o acción que le competa en cualquiera de dichos procedimientos, sea en los Estados Unidos de

America, the Republic of Chile or elsewhere, to enforce or collect upon this Promissory Note, or any other liability or obligation of the Borrower related to or arising from the transactions contemplated by this Promissory Note, including, without limitation, immunity from service of process, immunity from jurisdiction or judgment of any court or tribunal, immunity from execution of a judgment, and immunity of any of its assets from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, the Borrower hereby expressly and irrevocably waives any such immunity and agrees not to assert any such right or claim in any such proceeding, whether in the United States of America or the Republic of Chile or elsewhere. This Promissory Note is executed in both the English and Spanish language, provided, however, that in the case of doubt as to the proper interpretation or construction of this Promissory Note, the Spanish text shall control, particularly in case any action or procedure is brought in the Republic of Chile in connection with this Promissory Note. In accordance with Article 24 No. 1 of Decree Law 3,475 regarding Stamp Taxes, this Promissory Note is exempted from taxes by reason of its being issued in connection with the loan made from overseas by Inter-American Development Bank in its capacity as a multilateral financial organization.

SIGNED

BY _____ ***by

authority and in representation of: Cuenta Especial de Reembolso creada por el artículo 7 de la ley número 20.206

Tax I.D. No.

Domicile

<p>América, en la República de Chile o en cualquier otro lugar. Este Pagaré se suscribe en los idiomas inglés y castellano, en el entendido, sin embargo, que en caso de duda sobre la adecuada interpretación o inteligencia de este Pagaré, prevalecerá el texto en castellano, y especialmente en caso de cualquier acción o procedimiento respecto de este Pagaré que se interponga en la República de Chile. De conformidad al Artículo 24, N°1 del Decreto Ley 3.475 sobre Impuesto de Timbres y Estampillas, el presente pagaré está exento de impuesto por ser emitido en relación con préstamos otorgados desde el exterior por el Banco Inter-Americano de Desarrollo en su calidad de organismo financiero multilateral.</p> <p>SUSCRITO POR _____ ***por poder y en representación de Cuenta Especial de Reembolso creada por el artículo 7 de la ley número 20.206</p> <p>RUT</p> <p>Domicilio</p> <p>Firma y timbre de Notario Público</p>	<p>Signature and Seal of Notary Public</p>
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