



Washington, D.C., July 24, 2008

CUENTA ESPECIAL DE REEMBOLSO

c/o Administrador Financiero de Transantiago S.A.
Miraflores 383, piso 19
Comuna y Ciudad de Santiago, Chile
Attention: Enrique Mendes Velasco

ADMINISTRADOR FINANCIERO DE TRANSANTIAGO S.A.

c/o Administrador Financiero de Transantiago S.A.
Miraflores 383, piso 19
Comuna y Ciudad de Santiago, Chile
Attention: Enrique Mendes Velasco

Re: Loan No. 1978A/OC-CH

Dear Sir:

We make reference to (i) the loan agreement dated as of June 8, 2008 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 the Inter-American Development Bank ("IDB") (the "Loan Agreement"); and (ii) your letter dated June 30, 2008 where, pursuant to Section 6.4.4.2 of the Loan Agreement, you notified IDB that a "Requerimiento ante el Tribunal Constitucional de Chile" (the "Challenge") was filed, objecting to the constitutionality of the joint supreme decrees of the Ministries of Finance and of Transportation and Communications issued in connection with the Loan Agreement.

Reference is also made to your letter dated July 7, 2008, as supplemented by a subsequent letter of the same date, in which among other things, you request (i) a Disbursement (the "Second Disbursement") under the Loan Agreement; and (ii) waivers to certain provisions of the Loan Agreement.

Finally, reference is also made to your letter dated July 23, 2008, in which among other things, you request a new date and amount for the Second Disbursement under the Loan Agreement.

Capitalized terms used but not defined in this letter 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 letter.

Subject to and in consideration of the undertakings and agreements set forth in this paragraph, the IDB hereby waives compliance with the following sections of the Loan Agreement (but solely to the extent that such non-compliance results from the Challenge and solely for the purpose of allowing the Borrower to request the Second Disbursement and for no other purpose whatsoever): (i) Section 5.2.2, (ii) Section 5.2.3 (but only in respect of the representations and warranties in Sections 4.1.6, 4.1.7 and 4.1.11 that the Borrower is unable to make as a result of the Challenge), (iii) Section 5.2.7, (iv) Section 7.2.2.2.3, and (v) Section 7.2.8. As a condition to the effectiveness of this waiver the Borrower agrees that (A) the Borrower shall deliver to IDB prior to July 31, 2008 (i) a revised Base Case, which shall include appropriate assumptions as to sources of funding and remediation actions to cure deficits, and (ii) a revised calculation of the Sustainability Index calculated based on the revised Base Case; (B) prior to (and as a condition to) the next disbursement: (i) the revised Base Case shall be accepted in writing by IDB, acting in its sole discretion, (ii) the revised calculation of the Sustainability Index shall be accepted in writing by IDB acting in its sole discretion, (iii) the Borrower shall deliver to IDB a statement of actual sources and uses of funds for the month of July 2008, and (iv) the Borrower shall deliver to IDB a report prepared by the Ministry of Transportation and Telecommunications ("MTT") updating the status of the Subsidy Law and supplying any relevant data regarding the Subsidy Law; and (C) the Borrower shall deliver to IDB, as promptly as practicable, updated actual statements of sources and uses of funds for each month following July 2008 that are prepared to enable IDB to monitor actual variances from the current Base Case, incorporating assumptions acceptable to the IDB in its sole discretion. The parties understand and agree that the Borrower shall as promptly as practicable secure alternate sources of funding if the items cited in this paragraph are not implemented to the IDB's satisfaction, in its sole discretion. The Borrower agrees to inform MTT as soon as practicable of the requirements and undertakings agreed herein.


The parties hereto agree that this Waiver Letter is a Financing Document. This waiver shall only become effective upon our receipt of the counter-signatures of the Borrower and Administrador Financiero de Transantiago S.A. (in its individual capacity and in its capacity as Administrator of the Accounts).

Pursuant to Section 8.7 of the Loan Agreement, the granting of waivers relating to the fulfillment of the conditions to any Disbursement does not require the previous written consent from Corporación de Fomento de la Producción ("CORFO"). Pursuant to a letter dated July 16, 2008, CORFO (in its capacity as party to the Participation Agreement) confirmed that its consent to the waivers referenced herein is not required and that the PCS, the Participation Agreement and the PCS Regulation will remain in full force and effect despite the granting of such waivers.

In addition, each of the Borrower and Administrador Financiero de Transantiago S.A. (in its individual capacity and in its capacity as Administrator of the Accounts) acknowledges and agrees that, except as specifically contemplated herein, this waiver is not and shall not be deemed (i) a consent in connection with any matter related to the Financing Documents; (ii) a waiver of any right, remedy, power or privilege under any provision of any Financing

Document; (iii) a waiver of any obligation under any provision of any Financing Document; (iv) a novation of any Financing Document; or (v) an amendment of any of the provisions of any Financing Document. The granting of the waivers herein by IDB does not establish a course of dealing or otherwise obligate IDB to agree to any waiver in the future, including, without limitation, waivers for future disbursements.

INTER-AMERICAN DEVELOPMENT BANK


Name: STEVEN J. PUIG
Title: UAP

ACKNOWLEDGED AND AGREED:

CUENTA ESPECIAL DE REEMBOLSO

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

Name:
Title:

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

Name:
Title:

CC: CORPORACIÓN DE FOMENTO DE LA PRODUCCIÓN