

MEMORANDUM OF AGREEMENT

In view of the fact that the population needs drinking water services and that no parameters have been established by the Ecuadorian State to fulfill interim provision XXVI of the constitution in force, with regard to the cancelation of outstanding arrears owed by customers living in extreme poverty, *Interagua* and representatives from the Citizens' Observatory for Public Services [*Observatorio Ciudadano de Servicios Públicos* OCSP], the Unitary Confederation of Neighborhoods of Ecuador [*Confederación Unitaria de Barrios de Ecuador* CUBE], the Community Organizations of Plan Piloto [*Organizaciones Comunitarias de Plan Piloto* UOCPP], and professional trade unions from the litoral agree to the following:

AGREEMENT:

Once the latest valid bill for October 2008 has been paid (only the total due for the month, not the accumulated arrears), service will be reconnected at no cost for domestic-residential customers only from the following low-income areas:

- Guasmo	- Pancho Jácome
- Trinitaria	- Vergeles
- Cisne 1 and 2	- Coop. Varias
- Plan Piloto	- Mapasingue
- Malvinas	- Cerro del Carmen and Cerro Santa Ana
- Suburbio Oeste	- La Chala
- Bastión Popular	- Bloques de Sauces
- Flor de Bastión	- Colinas de La Florida
- El Fortín	- Prosperina
- Pascuales	

Service will be reconnected upon presentation of a copy of this bill that has been settled at *Interagua's* commercial offices:

- Polideportivo Huancavilca (Coronel and Calicuchima) Unit 10
- Torre Atlas (Kennedy Norte) Unit 7.

Payment of accumulated arrears including the amount for September 2008 will remain suspended until the parameters identifying all domestic-residential customers living in extreme poverty in the aforementioned areas who will benefit from cancellation of arrears have been defined.

Accumulated arrears will not lead to new disconnection of service provided that future bills for services rendered are paid and/or there is no official declaration.

Customers who do not fall within the parameters for cancellation of arrears and are beneficiaries of this agreement may sign flexible payment agreements to regularize payment of their arrears.

Done at Guayaquil on November 13, 2008 and executed by the undersigned:

/s/

Ing. Steve Hervouet
Commercial Manager
Interagua

/s/

César Cárdenas
President
Observatorio Ciudadano de Servicios Públicos

/s/

Jaime del Valle
National Vice-President
CUBE

/s/

Antonio [*illegible*]
General Coordinator
UOCP

/s/

Ing. Marlon Cabrera
Sociedad de Ingenieros del Litoral

Signature of witness

/s/

Arq. Octavio Villacreses
Councilor of Guayaquil canton