

CONFORMED COPY

LOAN NUMBER 4866 TU

Guarantee Agreement

(Istanbul Municipal Infrastructure Project)

between

REPUBLIC OF TURKEY

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated January 13, 2009

LOAN NUMBER 4866 TU

GUARANTEE AGREEMENT

AGREEMENT, dated January 13, 2009, entered into between REPUBLIC OF TURKEY (“Guarantor”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) (“Guarantee Agreement”) in connection with the Loan Agreement between the Bank and Istanbul Metropolitan Municipality (“Borrower”) (“Loan Agreement”) dated July 25, 2008. The Guarantor and the Bank hereby agree as follows:

ARTICLE I – GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.

Section 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Loan Agreement.

ARTICLE II – GUARANTEE; PROVISION OF FUNDS

Section 2.01. Without limitation or restriction upon any of its other obligations under the Guarantee Agreement, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of all Loan Payments payable by the Borrower pursuant to the Loan Agreement.

ARTICLE III – OTHER COVENANT

Section 3.01 The Guarantor shall take out all reasonable measures necessary to cause the Borrower to ensure the satisfactory implementation of the Project.

ARTICLE IV - REPRESENTATIVE; ADDRESSES

Section 4.01. The Guarantor’s Representative is Undersecretary of Treasury.

Section 4.02. The Guarantor's Address is:

Basbakanlik
Hazine Mustesarligi
Inonu Bulvari
Emek, Ankara
Republic of Turkey

Facsimile:

(312)212 8550

Section 4.03. The Bank's Address is:

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423 (MCI) or
64145 (MCI)

(202) 477-6391

AGREED at Ankara, Republic of Turkey, as of the day and year first above written.

REPUBLIC OF TURKEY

By: /s/ Memduh Aslan Akcay
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By: /s/ Ulrich Zachau
Authorized Representative

