Mr. Sergey A. Storchak  
Deputy Minister of Finance  
Ministry of Finance  
Ilyinka, 9  
Moscow, 10397  
Russian Federation  

Dear Mr. Storchak,

Russian Federation - Loan No. 4888-RU  
Housing and Communal Services Project  
Extension of Closing Date, Reallocation of Loan Proceeds and Amendment to the Loan Agreement

We refer to the Loan Agreement dated September 16, 2009, between the International Bank for Reconstruction and Development (the “Bank”) and the Russian Federation (the “Borrower”) for the Housing and Communal Services Project, as amended from time to time (hereinafter the “Loan Agreement”). We also refer to your letter #17-04-08/49898 dated August 31, 2015, requesting an extension of the Closing Date, reallocation of Loan proceeds and inclusion of preparation activities to prepare the project for development of built-up areas in small and medium-sized towns in the Russian Federation.

We are pleased to inform you that the Bank concurs with your request and amends the Loan Agreement as follows:

1. Part D of Schedule 1 is revised to read as follows:

“Component D. Project management and monitoring and follow-up activities.

(a) Provision of technical assistance: (i) to MOCHCS for Project implementation, monitoring and evaluation; and (ii) to the Borrower for preparation of follow-up projects in construction, housing and communal services sectors, including preparation of a project on development of built-up areas in small and medium-sized towns in the Russian Federation.

(b) Financing of Operating Costs.”

2. The table in paragraph 2 of Section IV.A. of Schedule 2 is amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (Expressed in USD)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Works, Consultants’ Services and Training for the Project except for Component C (b) of the Project</td>
<td>18,600,000</td>
<td>78%</td>
</tr>
<tr>
<td>(2) Goods, Works and Consultants’ Services for Component C (b) of the Project</td>
<td>175,000,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
3. Paragraph 2 of Section IV.B. of Schedule 2 is amended to read as follows:

“The Closing Date is May 15, 2018”.

4. Paragraph 8 of the Appendix is amended to read as follows and the term “MORD” is replaced with “MOCHCS” wherever it appears in the Loan Agreement:

“8. “MOCHCS” means the Ministry of Construction and Housing and Communal Services of the Borrower (which is the successor to the Ministry of Regional Development of the Borrower) or any successor thereto.

5. Paragraph 9 in Appendix is amended to read as follows:

“9. “Operating Costs” means incremental operating costs incurred by the PIU on account of Project implementation, management and monitoring (including preparation of follow-up projects under Part D(a)(ii) of the Project), including staff salaries and consultancy costs, social charges, Project and PIU audit, training, conferences and seminars, dissemination of Project related information, office rent and utilities, office equipment and supplies, office and equipment insurance, maintenance and repair, travel, communication, translation and interpretation, bank charges, and other miscellaneous costs directly associated with the Project, all based on periodic budgets acceptable to the Bank.”

Except as specifically amended herein, all other provisions the Loan Agreement shall remain in full force and effect.

Please confirm the Borrower’s agreement with the foregoing amendments to the Loan Agreement by countersigning and dating both copies of this Amendment Letter and returning one of the countersigned copies to us. Upon receipt by the Bank of the copy of this Amendment Letter countersigned by you, this Amendment Letter will become effective as of the date of the countersignature.

Sincerely,

Andras Horvai

AGREED
RUSSIAN FEDERATION

By: [Signature]

Title: Mr. Sergey A. Storchak

Date: 22.12.2015

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (Expressed in USD)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Operating Costs</td>
<td>6,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>20,000,000</td>
<td></td>
</tr>
</tbody>
</table>