Guarantee Agreement

(Transport Infrastructure Improvement Project)

between

REPUBLIC OF ECUADOR

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated December 22, 2016
GUARANTEE AGREEMENT

AGREEMENT, dated December 29, 2014, entered into between the REPUBLIC OF ECUADOR ("Guarantor") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") ("Guarantee Agreement") in connection with the Loan Agreement of same date between the Bank and the MUNICIPALITY OF IBARRA ("Borrower") ("Loan Agreement"). 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

Section 2.01. The Guarantor declares its commitment to the objective of the Project. To this end, 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 - REPRESENTATIVE; ADDRESSES

Section 3.01. The Guarantor's Representative is the Minister of Finance.

Section 3.02. The Guarantor's Address is:

Ministry of Finance
Avenida 10 de Agosto y Jorge Washington
Quito, Ecuador

Facsimile: (5932) 3998-629
Section 3.03. 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: INTBAFRAD Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: (202) 477-6391

AGREED at Washington D.C., United States of America, as of the day and year first above written.

REPUBLIC OF ECUADOR

By __________________________ Authorized Representative
Name FRANCISCO BORJA CEVALLOS
Title AMBASSADOR

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By __________________________ Authorized Representative
Name ALBERTO RODRIGUEZ
Title COUNTRY DIRECTOR