

TURKIYE ELEKTRIK ILETIM VE URETIM A.S.

July 5, 1995

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

Re: Loan No. 3345-0-TU
(TEK Restructuring Project)
Representations

Dear Sirs and Mesdames:

In connection with the Loan Assumption Agreement (TEK Restructuring Project) of even date herewith between the International Bank for Reconstruction and Development (the Bank) and the Turkiye Elektrik Iletim ve Uretim A.S. (the Borrower) hereby undertakes and warrants to the Bank that:

1. The Borrower is not engaged in litigation as plaintiff or defendant, the outcome of which might materially and adversely affect its financial condition.
2. The Borrower has no outstanding agreements or liabilities, contingent or otherwise not in the ordinary course of its business, which might materially and adversely affect its financial position.
3. No debt of the Borrower is secured by any mortgage, pledge, charge, priority or other lien, and no contract or arrangement exists for the creation of any such mortgage, pledge, charge, priority or other lien.
4. There are no existing defaults in repayment of principal of, or interest or other charges on, any debts of the Borrower.
5. The Borrower is not in violation of, and the execution and delivery of the Loan Assumption Agreement and the compliance with all the terms thereof do not and will not result in any violation of, any provisions of any existing agreement, concession, license or permit, or of any statute, law, decree, regulation or any other legal rule of a similar nature presently in effect and applicable to the Borrower.
6. The Borrower is a duly existing Public Authority under the laws of the Republic of Turkey with full authority to carry out its present business, to execute and deliver the Loan Assumption Agreement and to carry out the Project in accordance with the terms and conditions thereof, and has fully disclosed to the Bank all facts and circumstances which may materially affect the foregoing.
7. It is our mutual understanding that the preceding representations are material factors in the Bank's decision to make the Loan. Should any adverse material change occur in the financial position of the Borrower prior to our receipt of the notice of the Bank's acceptance of the evidence required by Section 12.01 of the General Conditions, we shall promptly inform the Bank.

Very truly yours,

TURKIYE ELEKTRIK ILETIM
VE URETIM A.S.

By /s/ Mahfi Egilmez
Authorized Representative

