

November 3, 1999

General Manager
Turkiye Elektrik Dagitim A.S.
Inonu Bulvari,
No. 27 Bahcelievler
Ankara, Turkey

Re: Loan No. 3345-1 TU
(TEK Restructuring Project)
Amendment to the Loan Assumption Agreement

Dear Sir:

We refer to the Loan Assumption Agreement (TEK Restructuring Project) dated July 5, 1995 between the International Bank for Reconstruction and Development (the Bank) and Turkiye Dagitim A.S. (the Borrower). Pursuant to your request dated September 27, 1999 and the Government's request to address the needs of the emergency created by the Marmara Earthquake of August 1999, the Bank has agreed to amend the Loan Assumption Agreement as follows:

1. Section 2.03 is amended to read:

"Section 2.03. The Closing Date shall be December 31, 2000 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower and the Guarantor of such later date."

2. Part B (2) of the Description of the Project in Schedule 2 is amended to read:

"(2) Power Investments by TEDAS

(a) The provision as projected in the CPPs, of equipment and materials required for power distribution under the Program, including distribution lines, substation, distribution equipment and spares.

(b) Carrying out of emergency repairs, and replacement of distribution lines and equipment damaged by the Marmara Earthquake of August 1999."

3. Part C of Section I of Schedule 4 is amended to read:

"1. International Shopping

Goods and spares estimated to cost less than \$2,500,000 equivalent per contract up to an aggregate amount not to exceed \$15,000,000 equivalent may be procured under contracts awarded on the basis of international shopping procedures in accordance with the provisions of paragraph 3.4 of the Guidelines.

2. National Shopping

Good estimated to cost less than \$250,000 equivalent per contract up to an aggregate amount not to exceed \$5,000,000 equivalent may be procured under contracts awarded on the basis of national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines."

Please confirm your agreement with the foregoing by signing, dating and returning to us the enclosed copy of this letter. Upon receipt by the Bank of the copy of this letter duly countersigned by you, this amendment will become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT

By /s/ Ajay Chhibber
Country Director
FYR Macedonia and Turkey Country Unit
Europe and Central Asia Region

AGREED:

TURKEYE ELEKTRIK DAGITIM A.S.

By /s/ Hamit Ozkan
General Manager

Date: November 10, 1999

cc: Undersecretary of the Treasury

