

COMMUNIQUÉ**Published by the Capital Markets Board****COMMUNIQUÉ ON REAL ESTATE CERTIFICATES
(VII-128.2)****FIRST CHAPTER****Purpose, Scope, Grounds, Definitions and Abbreviations****Purpose and Scope:**

ARTICLE 1 – (1) The purpose of this Communiqué is to determine the qualities of real estate certificates and to set down principles to be followed in issuance thereof.

Grounds:

ARTICLE 2 – (1) This Communiqué is prepared in reliance upon sub-paragraph (e) of first paragraph of article 128 and third paragraph of article 130 of the Capital Markets Law no. 6362 dated 6/12/2012.

Definitions and Abbreviations:

ARTICLE 3 – (1) For the purposes and in the context of this Communiqué:

a) Land owner: Natural persons or legal entities holding the ownership of land being the subject matter of the real estate project; and

b) Primary obligation: Transfer of title and delivery of real estate to the real estate certificate holders by the issuer by the end of the primary obligation fulfillment period according to the principles set forth in the prospectus or the issue document; and

c) Primary obligation fulfillment period: The period of time specified in the prospectus or the issue document for the fulfillment of primary obligation; and

d) Primary obligation request period: The period of time specified in the prospectus or the issue document for real estate certificate holders to notify of primary obligation fulfillment request by; and

e) Individual section: Unit of real estate fit for use alone and separately as defined in the Condominium Ownership Law no. 634 dated 23/6/1965, and subject to independent ownership according to the pertinent provisions of the Condominium Ownership Law; and

f)Bank: Banks as defined in the Banking Law no. 5411 dated 19/10/2005; and

g)Exchange: The exchange as defined in sub-paragraph (ç) of first paragraph of article 3 of the Law; and

h)Penalty: The liabilities imposed on the issuer in addition to its obligations in the case of a failure to fulfill relevant obligations by the end of the relevant fulfillment period and according to the principles set forth in the prospectus or the issue document; and

i)Appraisal company: A joint-stock company organized for appraisal activities and services and authorized by the Board pursuant to the relevant regulations of the Board; and

j)Obligations: Primary or secondary obligations; and

k)Real estate project: A residential or commercial real estate project planned to be financed by the issue of real estate certificates; and

l)Real estate certificate: Securities that are issued by issuers for use in financing of real estate projects to be built or being built and that have a nominal value representing certain particular individual sections or a certain area unit of individual sections of a real estate project; and

m)Issue: The issue of real estate certificates by issuers and sale of these certificates by public or non-public offering; and

n)Issuer: A joint-stock company that issues real estate certificates or files an application to the Board for issuance, and the public entities and institutions authorized to issue securities pursuant to their own laws and regulations; and

o)Redemption price: Price per real estate certificate, applicable in bank-guaranteed issues, which is determined according to the area unit sale price calculated as of the project completion date, not being less than the issue price of real estate certificates; and

p)Law: The Capital Markets Law no. 6362 dated 6/12/2012; and

q)Board: The Capital Markets Board; and

r)CRA: The Central Registry Agency Co., Inc.; and

s)Project completion date: The end of period disclosed for completion of individual sections of a real estate project, being the subject matter of issue, in accordance with the specifications declared in the prospectus or the issue document; and

t)Secondary obligation: The sale of individual sections corresponding to real estate certificates subject to the secondary obligation, and the distribution of sale price to real estate certificate holders in proportion to their existing shares, by the end of the secondary obligation fulfillment period according to principles set forth in the prospectus or the issue document; and

u)Secondary obligation fulfillment period: The period of time specified in the prospectus or the issue document for fulfillment of secondary obligation; and

v)TOKI: The Housing Development Administration of Turkey; and

w)TTRG: The Turkish Trade Registry Gazette; and

x)Maturity: The time from the date of issue of real estate certificates to the end of fulfillment period of such real estate certificates, as specified in the prospectus or the issue document; and

y)Investor: The holder of real estate certificates; and

z)Authorized Institution: The investment firms specified in seventh paragraph of article 4 of this Communiqué.

SECOND CHAPTER
Principles on Real Estate Certificates and
Issuance of Real Estate Certificates

General Principles on Real Estate Certificates:

ARTICLE 4 – (1) Real estate certificates representing certain particular individual sections or a certain area unit of individual sections of a real estate project may be issued according to the following principles:

a)In issues representing certain particular individual sections of a real estate project, the number of real estate certificates corresponding to each individual section is required to be determined before the issue.

b)In issues representing a certain area unit of individual sections of a real estate project, at the time of fulfillment of the primary obligation by the issuer, a goodwill may be claimed for such reasons as block, floor, façade and material differences between individual sections having the same area unit. If and when a goodwill is claimed, the amounts of goodwill to be claimed from investors at the time of fulfillment of primary obligation, or according to which principles the goodwill determined as of the time of issue shall be corrected and applied at the time of fulfillment of primary obligation are required to be disclosed in the prospectus or the issue document with reference to individual sections.

c)Individual sections being the subject matter of issue of real estate certificates must be entirely free from any real or personal rights or encumbrances or any attachment preventing the fulfillment of obligations, and free from any kind of disputes pertaining to essential components of the real estate project.

(2) Amount of issue of real estate certificates cannot exceed fifty percent of sales prices of all individual sections of the real estate project as determined according to the appraisal report issued according to article 6 of this Communiqué. In case both residential and commercial real estate is included in the same issue, this fifty percent limit shall be calculated separately for residential and commercial real estate covered by the issue. This limitation shall not be applied in bank-guaranteed issues.

(3) In the event that the individual sections subject to the issue of real estate certificates are completed before the project completion date specified in the prospectus or the issue document, and it is duly made public no later than 15 days prior to the project completion date, then the new date duly made public shall be considered as the project completion date. Thereupon, an amendment in the prospectus or the issue document is not required, providing that the required announcements are made to investors. The provisions of article 8 of the Law are, however, reserved.

(4) Real estate certificates may be issued domestically or internationally through public offering or through non-public offering by sale to qualified investors. In the issues through public offering, in addition to the provisions of first paragraph of article 5 of this Communiqué:

a) total shareholders' equity of the issuer should be higher than its paid or issued capital; and

b) except for the issues to be effected pursuant to third and fourth paragraphs of article 5 of this Communiqué, in the case of failure in fulfillment of obligations by the issuer according to principles set forth in the prospectus and the issue document, the payment of the redemption price and the penalty to investors should have been assured by a bank.

(5) Real estate certificates to be issued are required to be quoted and traded in the exchange, and in addition to the application to be filed to the Board for approval purposes, the issuers must apply to the exchange for this purpose.

(6) Real estate certificates are redeemed through fulfillment of primary or secondary obligations and payment of penalty, if any. In the bank-guaranteed issues, upon occurrence of any one of the following events, real estate certificates may be redeemed through payment of the redemption price and the penalty, if any, to the investor:

a) Failure in fulfillment of primary obligation according to principles set forth in the prospectus and the issue document; or

b) Failure in fulfillment of secondary obligation by the end of the competitive bidding process referred to in sub-paragraph (d) of third paragraph of article 8 of this Communiqué; or

c) It is specified in the prospectus or the issue document that the competitive bidding process referred to in sub-paragraph (d) of third paragraph of article 8 of this Communiqué shall not be undertaken for secondary obligation.

(7) Real estate certificates are required to be issued and redeemed through banks that are authorized to engage in investment services and activities specified in sub-paragraph (e) of first paragraph of article 37 of the Law, and through intermediary institutions that deal with any one of portfolio brokerage, general custody services or underwriting activities.

(8) If specified so by the issuer, real estate certificates may be redeemed also through repurchase of real estate certificates over an amount to be determined by the issuer or over the exchange market price before the project completion date.

(9) In the case of failure in fulfillment of obligations by the end of the relevant fulfillment period and according to principles set forth in the prospectus and the issue document, the penalty determined at the issue stage is required to be paid to investors.

(10) The Board may request that the payment of the redemption price and the probable penalty to investors be assured by a bank, and that the domestic sales be made only to qualified investors, and that the issuers or real estate certificates be rated.

Principles on Land Owner and Issuer:

ARTICLE 5 – (1) Issuers wishing to issue real estate certificates:

a) must have completed a project with a sales price equal to at least half of sales price of the real estate project, in accordance with the relevant contract and technical specifications, within 5 years prior to the date of application to the Board, or in case the issuer is a real estate investment partnership, must have had a project of the same qualities completed; and

b) must individually hold the ownership of the land where the real estate project shall be realized, and the land title deed must be converted into a construction servitude title deed, or a construction servitude must have been established on the land in favor of the issuer.

(2) If the issuer is a joint-stock company founded for the purpose of issuance of real estate certificates, the condition sought for in sub-paragraph (a) of first paragraph must be met by the shareholder of the issuer holding the management control thereof according to the relevant regulations of the Board, or by at least one of its shareholders jointly holding the management control thereof.

(3) If TOKI (Housing Development Administration of Turkey) or Ilbank Co., Inc. or their affiliates are the issuer:

a) the condition specified in sub-paragraph (a) of first paragraph is not sought for; and

b) the contracts or other arrangements shall include provisions that investors shall have equal rights with persons who directly purchase a house from the same project, or other measures acceptable to the Board are required to be taken; and

c) upon request, the Board may grant an exemption from other conditions sought for in the Communiqué.

(4) In the issues where TOKI (Housing Development Administration of Turkey) or Ilbank Co., Inc. or their affiliates are not the issuer, but the real estate project shall be developed on lands and fields fully or partially owned by them:

a) the condition specified in sub-paragraph (a) of first paragraph is not sought for; and

b) the contracts to be signed between the issuer on one side and TOKI or Ilbank Co., Inc. or their affiliates on the other side are required to contain clauses verifying that investors shall have equal rights with persons who directly purchase a house from the same project, or other measures acceptable to the Board are required to be taken; and

c)if the issuer fails to complete the individual sections of the real estate project being the subject matter of the issue, these sections shall be completed in accordance with principles in the contract signed by TOKI or Ilbank Co., Inc. or their affiliates for completion of the project.

Appraisal, Feasibility and Construction Progress Reports:

ARTICLE 6 – (1) As of the date of application to the Board and the project completion date and upon occurrence of events mentioned in this Communiqué or at other stages deemed appropriate by the Board, the appraisal companies shall prepare an appraisal report with regard to the real estate project. This report, which shall be prepared pursuant to the relevant regulations of the Board, is required to contain the estimated sales price of the individual sections subject to real estate certificates, and the precedent prices used in determining such a price, with reference to relevant individual sections. The appraisal report is required to specify the precedent sales prices in the real estate project.

(2) If and when it is understood that the obligations shall not be fulfilled within the relevant fulfillment period, or at other stages deemed appropriate by the Board, the appraisal companies shall prepare a feasibility report for the project. This report shall at the minimum include information about the existing completion level of the project, and the necessary time and estimated cost required for the completion of the project.

(3) Construction progress reports shall be prepared by appraisal companies in order to ensure that the funds collected as a result of the issue are transferred to the issuer in proportion to the progress of construction works.

(4) In the issues effected pursuant to third and fourth paragraphs of article 5 of this Communiqué, the reports mentioned in second and third paragraphs of this article may be prepared by institutions other than appraisal companies.

Use of Primary Obligations:

ARTICLE 7 – (1) Within the primary obligation request period, investors shall convey their requests regarding the fulfillment of primary obligation to the issuer or to the authorized institution. Primary obligation request period shall be determined by the issuer at the minimum of 10 business days prior to the project completion date, with its first day not being earlier than the first date of trading of the real estate certificates in the exchange. The issuer may further include in the primary obligation request period other determined dates before the project completion date, by disclosing such dates in the prospectus or the issue document. The provisions of sub-paragraph (b) of third paragraph of article 8 of this Communiqué are, however, reserved.

(2) Investors requesting fulfillment of primary obligation are required to transfer to the issuer's accounts, real estate certificates required for the individual sections intended to be purchased, and if needed, to pay the goodwill within the primary obligation fulfillment period,

and the issuer is required to complete the legal transactions for transfer of ownership of individual sections to the investor according to the principles set forth in the prospectus or the issue document. In case same individual section is demanded by more than one investor, the issuer shall state in the prospectus or the issue document which investor shall be given priority thereat. If no such designation is made, time priority shall be applied.

(3) More than one investor may request fulfillment of primary obligation according to joint ownership principles.

(4) Real estate certificates transferred to the issuer's accounts for fulfillment of primary obligation must be free from any kind of attachment, pledge or similar other encumbrances or restrictions.

(5) Primary obligation fulfillment period shall be determined as not longer than 10 business days following the end of primary obligation request period. Different fulfillment periods may be determined for request periods which are prior to the project completion date and deemed by the issuer as part of the primary obligation request period, provided that such dates are so disclosed in the prospectus or the issue document.

(6) In the event that the primary obligation is requested prior to the project completion date within the primary obligation fulfillment period specified in the prospectus or the issue document:

a) Ownership of the individual section is transferred in the land registry, or a contract on promise to sell real estate shall be signed between the issuer and the investor for the purpose of fulfillment of primary obligation, and the rights arising out of such contract shall be registered in the land registry. In the issues covered by third and fourth paragraphs of article 5 of this Communiqué, the condition of registration in the land registry, as stipulated in this paragraph, shall not be sought for.

b) In case a contract on promise to sell real estate is signed, the real estate certificates shall be blocked in the authorized institution until the primary obligation is fulfilled or the redemption price is paid to the investor.

(7) In case of failure to fulfill the primary obligation according to principles set forth in the prospectus or the issue document, the provisions of article 9 of this Communiqué shall be applied.

(8) In the bank-guaranteed issues, in case and when it is understood that the primary obligation shall not be fulfilled according to the principles set forth in the prospectus or the issue document:

a) The provisions of first paragraph of article 9 of this Communiqué shall be applied. If the primary obligation cannot be performed within the additional period granted or by the end

of the primary obligation fulfillment period, the redemption price, together with the penalty, if any, shall be due and payable within 10 business days following the end of additional period or primary obligation fulfillment period, as the case may be.

b)The investors which have previously requested fulfillment of primary obligation may demand payment of redemption price, in lieu of fulfillment of primary obligation, within the period of time specified in the prospectus or the issue document. Thereupon, the redemption price, together with the penalty, if any, shall be due and payable to the said investors within 10 business days following the end of primary obligation fulfillment period.

(9) Except for the issues effected within the frame of third and fourth paragraphs of article 5 of this communiqué, the contracts on promise to sell real estate are required to contain penal clauses relating to real estate certificates with respect to delay or failure in transfer of ownership.

(10) For the investors willing to use the primary obligation but lacking the necessary number of real estate certificates, the issuer may provide loan facilities or cash payment means, providing that it is so declared in the prospectus or the issue document.

Use of Secondary Obligations:

ARTICLE 8 – (1) The investors who do not file a primary obligation fulfillment request within the primary obligation request period or who files such a request, but fails to satisfy the conditions envisaged for fulfillment of primary obligation in the prospectus or the issue document shall be considered and treated to have requested the secondary obligation as of the project completion date.

(2) The issuer is liable to perform the secondary obligation by selling the individual sections corresponding to the real state certificates subject to secondary obligation and by distributing the proceeds of sale to investors in proportion to their shares in certificates.

(3) The following principles shall be applied in fulfillment of the secondary obligation:

a)The secondary obligation fulfillment period is shall be determined as at most 120 days following the project completion date specified in the prospectus or the issue document.

b)Providing that it is specified so and its principles are clearly stated by the issuer in the prospectus or the issue document, the investors deemed to have requested fulfillment of the secondary obligation may request the primary obligation within the secondary obligation fulfillment period. Thereupon, the number of certificates required to be given by investors for individual section of the real estate shall be determined as same with the number of certificates specified for the relevant individual sections in the prospectus or the issue document published before the issue.

c) The proceeds of sale of individual sections corresponding to the real estate certificates subject to the secondary obligation shall, throughout the secondary obligation fulfillment period and until all of the individual sections subject to the secondary obligation are sold, be invested by the authorized institution in the name of investors according to the proxy's duty of care in government bonds, treasury bills, lease certificates issued by the Undersecretariat of Treasury, deposits or participation accounts, or other capital market instruments determined by the Board, and shall, within 2 business days following completion of sales of all of the individual sections, be transferred to the investors' accounts in proportion to their shares in certificates. In the issues effected within the frame of third and fourth paragraphs of article 5 of this Communiqué, the proceeds of sale may be invested in the name of investors by TOKI or Ilbank Co., Inc. or their affiliates.

d) When the individual sections to be sold for fulfillment of the secondary obligation are turned into cash within the secondary obligation fulfillment period, sales are effected by way of auction at most 3 times, and the following principles are applied in such auctions:

- 1) In the first bidding which shall take place no later than 30 days following the project completion date, the individual section sales prices determined in the appraisal report prepared according to article 6 of this Communiqué shall be used as the minimum bidding price. This minimum price shall, however, not be less than the nominal value of real estate certificates being the subject matter of individual sections.
- 2) In case insufficient demand is received for the individual sections offered for sale in the first bidding, a new appraisal report according to article 6 of this Communiqué shall be prepared and a second bidding shall be held. . Second bidding shall be held in accordance with the procedures and conditions of the first bidding.
- 3) In case the individual sections are not sold in full in the second bidding, a third bidding shall be held for sale of the remaining individual sections. A minimum price shall not be determined for the individual sections to be offered for sale in the third bidding. In the third bidding, individual sections shall be sold to the highest bidder.
- 4) In case the proceeds of sale of third bid tender are lower than the nominal value of real estate certificates corresponding to the individual sections offered for sale in the third bidding, or in case no proceeds of sale are obtained therein, the difference (between nominal value and sale proceeds) shall be paid by the issuer within 2 business days. This (two day) period may in no case exceed the (last day of the) secondary obligation fulfillment period.
- 5) In the issues of real estate certificates sold through public offering, the call for tender shall be published in the issuer's internet website and in the Public Disclosure Platform no later than 15 days prior to date of each bidding. Furthermore, information on the call for tender and information on where relevant documents have

been published shall be published in two of five nationwide newspapers with the highest circulation. In the issues of real estate certificates sold to qualified investors without public offering, the investors shall duly be informed about the call for tender and where relevant documents have been published, according to second paragraph of article 12 of this Communiqué.

- 6) The issuer and its related parties are not allowed to bid in the tenders organized pursuant to and under this article.

(4) In the bank-guaranteed issues, if and when the secondary obligation:

a) is intended to be performed through a bid tender process, the references made to the issue price in sub-paragraph (d) of third paragraph hereinabove shall be read as redemption price; or

b) is intended to be performed without a bid tender process through payment of redemption price within 10 business days following the project completion date if specified so by the issuer in the prospectus or the issue document, the second and third paragraphs of this article shall not be applied.

(5) Providing that it is specified so in the prospectus or the issue document, in the course of fulfillment of secondary obligation by the issuers, an issue value which is indexed to an asset or income and therefore in excess of issue price, may be applied in place of:

a) the issue price referred to in sub-paragraph (d) of third paragraph hereof, and

b) the issue price used as a base in calculation of redemption price in the fourth paragraph hereof.

Delay or Non-fulfillment of Project:

ARTICLE 9 – (1) If and when it is understood that the obligations shall not be fulfilled during the fulfillment periods and according to principles set forth in the prospectus and the issue document, the project shall be deemed to have been delayed. In the case of delay of project:

a) Within 15 business days after this delay is detected, a feasibility report shall be prepared pursuant to article 6 of this Communiqué, and an application shall be filed with the Board for an additional period equal to the necessary period of time stated in the feasibility report for the completion of the project. The additional period to be granted by the Board shall in no case exceed 180 days following the project completion date, except for general force majeure events.

b) The fact that the project has been delayed, ‘conclusions’ section of feasibility report, additional period granted by the Board, obligation request and fulfillment periods re-determined accordingly, and penalty to be payable to investors throughout that period of time shall be

disclosed according to disclosure procedures which the prospectus or the issue document was subject to.

c) Primary and secondary obligations are fulfilled and penalty, if any, is paid by the end of fulfillment periods re-determined within the frame of additional period granted by the Board. In the bank-guaranteed issues, the provisions of eighth paragraph of article 7 and fourth paragraph of article 8 of this Communiqué are, however, reserved.

(2) If and when the obligations cannot be fulfilled or it is understood that the obligations shall not be performable by the end of the additional period granted as above or if additional period is not requested, by the end of the maturity, the project shall be deemed to have not been fulfilled. Thereupon, the Board shall be informed within no later than 5 business days, and non-fulfillment of project, rights of the investors, and principles on payments, also including penalty, to be paid to investors shall be disclosed according to the same disclosure procedures which the prospectus or the issue document was subject to.

Method of Use of Issue Proceeds:

ARTICLE 10 - (1) Issue proceeds from real estate certificates shall be deposited in a special account to be opened in a bank by the authorized institution or in the case of bank-guaranteed issues, by the bank, and shall be invested according to the proxy's duty of care in government bonds, treasury bills, lease certificates issued by the Undersecretariat of Treasury, time deposit or participation accounts, or other capital market instruments determined by the Board.

(2) Issue proceeds from real estate certificates shall be used solely for completion of the real estate project or for refinancing the said project as of the date of application.

(3) Only the portion of issue proceeds from real estate certificates which shall be calculated by considering the minimum fee tariff rates for preparation of appraisal, feasibility and construction progress reports required under this Communiqué shall be blocked by the authorized institution or in the case of bank-guaranteed issues, by the bank.

(4) Issue proceeds from real estate certificates shall, to the extent of proportions specified in the construction progress reports, be transferred by the authorized institution or in the case of bank-guaranteed issues, by the bank to the issuer, or in case the remaining individual sections of the project is completed by another person or entity, to that other person or entity.

(5) If the project is not realized or it is finalized that the project shall not be realized, issue proceeds remaining in the account shall not be transferred to the issuer, but shall only be used for repayments to investors.

(6) Only after the real estate certificates are redeemed, the issue proceeds remaining in the account shall be transferred to the issuer.

Application to Board, and Required Submittals:

ARTICLE 11 – (1) In the issue of real estate certificates, an application is filed to the Board for approval, together with the documents listed in Exhibit 1 hereof.

(2) The real estate certificates to be issued may be sold in tenor up to an issue ceiling approved by the Board, not exceeding the issue amounts separately determined for residential and commercial areas according to second paragraph of article 4 of this Communiqué. In public offerings to be held throughout the validity of the prospectus, before sale of each tenor thereof, an application is filed to the Board for its approval, together with the documents listed in Exhibit 2 hereof. In the sales without public offering, within a time of one year following the date of approval given by the Board to the issue limit, before sale of each tenor thereof, an application is filed with the Board for approval of the tenor issue document.

THIRD CHAPTER

Miscellaneous and Final Provisions

Investor Report:

ARTICLE 12 – (1) An investor report containing information about the degree of completion of individual sections subject to real estate certificates sold through public offering and about the primary obligations requested and fulfilled during the relevant period shall, on the day the report is signed, be published in the issuer's internet website and in the Public Disclosure Platform on quarterly accounting periods until the subject real estate certificates are redeemed. The issuer may further provide reports to investors as of shorter periods.

(2) Information about the degree of completion of individual sections issued for sale to domestic or international qualified investors or , and about the primary obligations requested and fulfilled during the relevant period shall be reported to the Board and the investors on semi-annual accounting periods until the subject real estate certificates are redeemed. The issuer may further provide reports to investors as of shorter periods.

Public Disclosure:

ARTICLE 13 – (1) In the issues of real estate certificates through public offering, in addition to disclosure obligations arising out of the regulations of the Board, the issuer is under obligation to disclose and declare in its internet website and in the Public Disclosure Platform:

a) the primary obligation fulfillment and request periods specified in the prospectus, and the period for transfer of real estate certificates to the issuer's account for the fulfillment of secondary obligation, no later than 10 days prior to the starting date of such periods; and

b) the period during which the investors may request a change of obligation for transition from secondary to primary obligation pursuant to pertinent provisions of this Communiqué, no later than 10 days prior to the starting date of such period; and

c) the results of appraisal, construction progress and feasibility reports prepared as required for the real estate project, on the day said reports are issued; and

d) the average sale prices of similar individual sections not subject to the issue of real estate certificates in the real estate project, together with discounts and other valid terms and conditions applicable on such prices, on the first business day of every week; and

e) if and when the issuer allows investors to repurchase pursuant to eighth paragraph of article 4 of this Communiqué, the information of price for repurchases throughout the period of maturity, in the first business day of every week.

Other Matters:

ARTICLE 14 – (1) The content, preparation, approval, publishing, registration and announcement of prospectus, issue document and other issue-related documents, and financial statements to be included in the prospectus, and amendments to the prospectus, and the advertisements and announcements to be published by issuers, and determination of issue and sales principles of real estate certificates, and determination of financial reporting, independent audit and public disclosure obligations of issuers, and other matters not covered by this Communiqué shall be subject to the relevant regulations of the Board pertaining thereto.

Board's Fee:

ARTICLE 15 – (1) The issuers are under obligation to deposit, to be recorded as income to the Board's budget, a fee equal to zero point two percent of issue price of real estate certificates offered for sale, not being less than their nominal value, pursuant to third paragraph of article 130 of the Law.

Dematerialized Issue of Real Estate Certificates:

ARTICLE 16 – (1) Real estate certificates to be issued by the issuer domestically are required to be issued on dematerialized basis in electronic media in CRA (Central Registry Agency), and the rights relating thereto are required to be traced on the basis of beneficiaries.

(2) Real estate certificates to be issued by the issuer internationally are required to be issued on dematerialized basis via CRA in electronic media, and the rights relating thereto are required to be traced. Real estate certificates to be issued internationally may be kept collectively without opening an account at CRA in the name of the beneficiary depending on the nature of issuer or CRA member.

(3) Upon demand of issuer, the Board may grant an exemption from the liability of the real estate certificates issued internationally to be issued on dematerialized basis at CRA.

(4) If the real estate certificates are not issued on dematerialized basis in CRA pursuant to third paragraph of this article, with respect to the real estate certificates to be issued at abroad, information on issue amount, issue date, ISIN code, maturity starting date, maturity, custodian, currency of issue, and country of issue shall be disclosed to CRA within 3 business days following the date of issue. In the case of a change in such information reported to CRA, CRA shall be informed thereabout within 3 business days following the date of change.

Handling by the Board of Approval Applications Relating to Other Real Estate Certificates:

ARTICLE 17 – (1) Applications for approval of prospectus and issue document relating to capital market instruments which are not referred to in this Communiqué, but are not covered by other regulations of the Board as well, and are accepted by the Board to be a real estate certificate by nature shall be handled and responded by application of the provisions of this Communiqué thereon by reference.

Repealed Communiqué:

ARTICLE 18 – (1) The Board’s Communiqué on Principles of Registration of Real Estate Certificates (Serial III, No. 19), published in the Official Gazette numbered 22349 on 20/7/1995 is hereby superseded and repealed. Accordingly, all references made in the other regulations of the Board to the Communiqué on Principles of Registration of Real Estate Certificates (Serial III, No. 19) shall hereafter be deemed to have been made to this Communiqué.

Effective Date:

ARTICLE 19 – (1) This Communiqué shall become effective as of the date of publishing.

Enforcement:

ARTICLE 20 – (1) The provisions of this Communiqué shall be enforced by the Board.

ANNEX 1**DOCUMENTS REQUIRED FOR APPROVAL OF
PROSPECTUS OR ISSUE DOCUMENT RELATING
TO REAL ESTATE CERTIFICATES (*)**

- (1) Information introducing the issuer and its shareholders;
- (2) Articles of association of the issuer, containing all amendments and supplements made thereto and combined in a single text, duly signed by authorized signatories of the issuer;
- (3) A notary-certified copy of decision of the authorized institution of the issuer pertaining to the issue;
- (4) Certified Public Accountant's report for determination of paid portion of capital of the issuer, and TTRG where the advertisement relating to registration of the existing capital is published;
- (5) Underwriting contract signed with the authorized institution;
- (6) For issues through public offering, recently dated statements received from the issuer's directors and other managerial staff members stating whether the said persons have been sentenced to imprisonment for five years or a longer period due to a maliciously committed crime, or have been convicted of embezzlement, malversation, bribe, theft, swindling, fraud, breach of faith, fraudulent bankruptcy, bid rigging, destruction or modification of data, abuse of debit or credit cards, smuggling, tax evasion or unjustified benefit, or is subject to any criminal prosecution therefor, and/or is a party to any legal dispute and/or a finalized court judgment relating to partnership activities, or not, even if the periods specified in the capital markets legislation, or Banking Law no. 5411 dated 19/10/2005, and/or article 53 of the Turkish Criminal Code no. 5237 dated 26/9/2004 have elapsed;
- (7) For issues through public offering, the financial statements to be included in the prospectus and the financial statements of the interim period closest to the date of application;
- (8) For issues without public offering, the financial statements of the recent two years and of the interim period closest to the date of application, prepared and issued pursuant to the Board's relevant regulations and audited by independent auditor;
- (9) For issues through public offering, a prospectus prepared and issued pursuant to the Board's relevant regulations;

- (10) For issues without public offering, an issue document prepared and issued pursuant to the Board's relevant regulations;
- (11) Information about maturity, yield (return) and risk factors of real estate certificates to be issued;
- (12) The issuer's notary-certified signature circular;
- (13) A legal opinion verifying that all licenses, authorizations and permissions needed for the real estate project have already been received properly, and the land is free from any legal dispute which may hinder the issue;
- (14) In bank-guaranteed issues, a letter of the guarantor bank to be addressed to the Board and the issuer, and a notary-certified copy of the relevant decision of the authorized institution of the guarantor bank;
- (15) Information about real estate project being the subject matter of real estate certificates, and copy of title deed of the land where the project shall be built;
- (16) Documents proving the competence of the issuer with respect to the matters referred to in article 5 of the Communiqué;
- (17) List of individual sections and principles of their distribution to investors who may request fulfillment of primary obligation;
- (18) Detailed information about the method and assumptions used in determination of price of real estate certificates;
- (19) In case the land owner and the issuer are different, the contract(s) meeting the conditions specified in article 5 of this Communiqué, and signed by and between the issuer on one side and TOKI or Ilbank Co., Inc. or their affiliates on the other side;
- (20) If the issuer is a joint-stock company founded for the purpose of issuing real estate certificates, a statement verifying that the issuer's shareholders are jointly and severally liable for all kinds of obligations arising out of the issue;
- (21) Total sales prices of individual sections, being the subject matter of the real estate project, calculated separately as residential and commercial areas;
- (22) Information about an account to be opened by the authorized institution or in the bank-guaranteed issues, by the bank, to which the issue proceeds shall be deposited;
- (23) One copy of each of the contracts signed and the appraisal report, and if any, other reports prepared for issue of real estate certificates;

- (24) Information about the rating report relating to the issuer and the to-be-issued real estate certificates, and about the rating scale of the rating agency, if available as of the date of application; and
- (25) Other information and documents deemed necessary by the Board.

ANNEX 2**INFORMATION AND DOCUMENTS TO BE
SUBMITTED TO THE BOARD BEFORE EACH ISSUE
DURING THE VALIDITY TIME OF THE PROSPECTUS**

- (1) Final terms or securities note and summary prepared within the frame of the Board's relevant regulations;
- (2) If any amendment is required in the registration document or in the base prospectus, the texts of amendments, and if an amendment is not required, a statement of the issuer in connection therewith;
- (3) A copy of public offering underwriting contract signed with the authorized institution appointed for issuance (If the underwriting contract previously sent to the Board is still valid, and no amendment has been made in that agreement, it does not need to be send again. In this case, the issuer's statement is sufficient.); and
- (4) If deemed necessary by the Board, documents confirming and proving the submitted information, and other documents that may be requested by the Board.

(*) If and when the information and documents listed in Exhibit 1 and Exhibit 2 are already published on the Public Disclosure Platform, and the issuer states that they are current, they are not required to be separately sent to the Board.