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in the format "TURN KEY project and complete warranty", and will bear sole and absolute responsibility for the execution of the project, including the quality of the construction, the materials and the works performed;

**And since (8):** the owner intends to enter into an agreement with a bank and/ or an insurance company and/ or an investment fund and/ or another financial institution (hereinafter: "the Bank"), which will provide the owner with an individual and comprehensive credit facility for the project, or with another bank at the sole discretion of the owner. It is hereby clarified that as far as the Bank the Bank requests changes of clauses as is customary in entrepreneurial projects, the constructor will not have any objections to the Bank's requests and the contractor undertakes to sign an addendum to this agreement that stipulates such changes;

**And since (9):** the parties are interested in defining, arranging and anchoring in writing, the agreements between them and regulating the legal relationship between them in relation to their engagement in the execution of the works and the project, in accordance with this agreement, and subject to it and in a manner that the provisions of this agreement regarding the execution of the work and the project will be bind the customer only after the building permits have been issued, and also after the constructor has handed over all the collateral and insurances to the customer as agreed, and the construction will begin in practice;

**Accordingly, it has been stated, stipulated and agreed between the parties as follows:**

**1 General:**

1.1 The Introduction to this agreement and the statements of the parties thereto form a single and integral part thereof, by way of being one of its terms and conditions and binds the parties as the agreement itself.

1.2 The section headings are for convenience purpose only and the content of the agreement should not be construed solely in accordance with them, and/ or separate its instructions.

1.3 All the annexes, plans, specifications, programs, tender documents, and documents attached and/ or to be attached to this agreement, form an integral part of the agreement itself, should be accounted as its terms and conditions and all parts thereof shall be construed equally. Wherever it is stated "in this agreement" or "in this contract" or "in the binding document "or any similar term - the meaning relates to all these terms as well.

In the matter of priority between documents, it is hereby agreed as an overpower provision, but without derogating from the provisions of section 1.4 below, that the finishes specification attached as Appendix \_ to this agreement overpowers the sales specifications (Appendix \_\_\_ to this agreement), in any detailed and/ or explicit provision in the same matter, insofar as it is expressed in the specification the finishes, otherwise the sales specifications will apply.

1.4. In the event of a conflict between the appendices to the agreement and/ or between the various appendices and/ or between the provisions of that appendix, the provisions of this agreement shall prevail. In addition, as a rule, priority will be given to a document that in

the circumstances of the case includes the most detailed, special, stringent and highest requirement, all according to the customer's choice.

Without derogating from the above, and for the purpose of removing any doubt, it is hereby clarified that in any case of doubt and/ or ambiguity and/ or uncertainty in the interpretation of this agreement, the doubt will be interpreted in favor of the client, and from an interpretive principle that the responsibility for the construction is solely on the Constructor and in any case of doubt the Constructor shall apply to the supervisor for instructions in accordance with the provisions of Section 12 below.

Without prejudice to the foregoing and any other provision of this agreement the parties hereby agree:

### 1.5 Definitions

In all the provisions of the agreement, above and below, the following terms will have the meaning specified in the definitions next to them, as follows:

<p><b>"Site" or "Real Estate" or "The building" or "The lot"</b></p>	<p>Land area known as block 6422 Parcel 138 Lot 108 on Harav Ovadia Yosef Street, Herzliya, including the areas in which, through, below or above the project, and the works will be carried out as defined below, which in accordance with the plans as defined below and/ or future plans, and subject to for the relief required by law, including in relation to the number of apartments, the height of the building and any concessions requested by the architect of the building (hereinafter: the "concessions"), may be established on them the project, as defined below, as well as all other adjacent areas, whatever they may be, will be at the disposal of the contractor for the purpose of carrying out the project and/ or for the arrangements (including areas that will be set aside only for limited and partial periods of time for needs the organization and execution of works) and/ or the development areas as defined within the plans;</p>
<p><b>"The new building"</b></p>	<p><b>Construction of 52 new housing units</b>, all in accordance with the definition of the project and the works, including construction additions which will be approved by the competent authorities after the date of signing this agreement;</p>
<p><b>"The constructor"</b></p>	<p>Defined in the introduction to this agreement, and in all matters of the Constructor's liability including the Constructor's representatives, employees, couriers, its authorized persons, including any subcontractor acting on his behalf or on his behalf or for him, in the performance of the work;</p>
<p><b>"Constructor's representative"</b></p>	<p>A person appointed from time to time by the Constructor, who will serve as the Constructor's authorized representative for the purpose of implementing this agreement and who will be present at the site on a regular basis and whose identity will be subject to for the prior written approval of the customer;</p>
<p><b>"The Customer" or "the Owner"</b></p>	<p>As defined in the title of this agreement and/ or by the customer's representative, as the constructor shall be informed from time to time;</p>
<p><b>"The Customer's Representative"</b></p>	<p>Mr. Nir Pelesh, and/ or anyone on his behalf and/ or anyone appointed or to be appointed in their place from time to time, by the customer for the</p>

<b>“The Supervisor”</b>	<p>purpose of project management and on-site supervision of the execution of the work and the completion the project or any part of it and/ or for the purpose of supervising the observance of the provisions of this agreement by the contractor, including those authorized in writing by the Customer for the purposes of this agreement or any part thereof, whether in advance and in retrospect, as the contractor will be informed from time to time;</p> <p>Mr. Ron Ben David of Efrati prints projects management Ltd. from Beit Gamla in the park, Jerusalem Road, 34 Raanana and/ or anyone on his behalf and/ or anyone appointed or to be appointed from time to time by the customer's representative for project management and on site supervision and completion of the project (including during the inspection period) or any part of it and/ or for the purpose of supervising the observance of the provisions of this agreement by the constructor, including those authorized in writing by the customer's representative for the purpose of this agreement or any part thereof, whether in advance or retrospectively, including the customer's representative;</p>
<b>“The Architect”</b>	<p>Lazarowitz Shadmi Architects Ltd. and/ or who will be appointed from time to time by the owner to plan the project and supervise the execution of the work or any part of it, as will be known to the constructor from time to time;</p>
<b>"The Consultant/ s" or "The planner/ s"</b>	<p>The ones listed in the list of consultants and planners in Appendix N to this agreement, including planners, architect, landscape architect, interior designers, engineers, professional consultants, quantity surveyor (surveyor), surveyor, other technological professional and/ or any person and/ or corporation engaged in planning and / or consulting with whom the client has been contacted and/ or will be contacted for planning and/ or consulting or in connection with carrying out planning the project, including their successors;</p>
<b>“The Constructors”</b>	<p>Every contractor and/ or service provider with whom the customer has been contacted and / or will be contacted for the purpose of establishing and/ or carrying out the project or part of it, and including any subcontractor with whom any of the constructors will be contacted and/ or any employee of these, except for the consultants or planners;</p>
<b>“Units”</b>	<p>Dwellings and/ or areas and/ or parts and/ or units that will be built and/ or changed and/ or strengthened and/ or through which cables, pipes and infrastructure will be transferred in the project and/ or in the part of it and/ or the joint public areas;</p>
<b>“Client”</b>	<p>Anyone who has purchased/ hired/ will purchase/ lease any rights in the project and including any third party who will be entitled to the customer for any rights in the project's units and/ or in the project or in any other part of it;</p>
<b>“The Authorities”</b>	<p>Every competent authority, including the Planning and Construction Committees, Israel Land Authority (hereinafter: "ILA"), "Israel Electric Company Ltd." (hereinafter: "IEC"), Bezeq Company, the National Company Roads in Israel (hereinafter: "NCRI"), Israel Police, Fire Brigade, Ministry of Health, Ministry of Environmental Protection, Ministry of Labor, Home Front Command, The Civil Defense, Aviation Administration, Ministry of Defense, Cable Company, Land Registry and each municipality, Local authority or other government office, etc.;</p>
<b>“The Tender/s”</b>	<p>Ordering procedures to submit proposals for the execution of construction work and/ or construction and/ or finishing and/ or supply equipment and/ or</p>

**“The Legal Advisors”**

supply of materials and/ or any other work in connection with the project;  
The customer's legal advisers, the attorneys from the Law firm of Levy, Tan-Ami & Co. from Sapir Tower 7<sup>th</sup> floor, 40 Tuval Street Ramat Gan,  
Tel: 03-7504422 Fax: 03-7504433;

**“The City Plans”**

The plans attached to the application for a building permit (Garmoshka) and the work plans (including complementary work plans and/ or additions) that have been prepared and will be prepared by the customer and/ or the supervisor and/ or the architect and / or other consultants and planners from time to time, that are required to the perfect execution of the project, all as stated in this agreement below;

**“The Project”**

Design and construction of a residential building with two wings of 9 floors each, above a doubled lobby and above 2 underground parking floors and a technical roof floor, including 52 housing units, in one combined building one and about 97 parking spaces, according to the applicable plans, subject to receiving relief to be requested, to the extent requested, by the architect, as approved in the decision of the local committee to the design and construction of Herzliya, and includes connection to the existing infrastructure, development of the entire plot, and everything as appears in the Garmoshka attached as Appendix A1 and the delivery of all the items to the customer as detailed below, including execution of all the works and taking care of all the payments involved, until its completion, all as specified in this agreement below;

**“The Work/s”**

Dismantling and demolition of any structure and/ or temporary and/ or permanent connection found on the site, including (but without limiting), cutting down trees and/ or moving them to another place and/ or keeping them during the execution of the works, in accordance with the requirements of the authorities and the provisions of the building permit, demolition fences around the lot and rebuild, dismantle and demolish any temporary or permanent connection, cleaning the plot completely from all the rubble and every object found on it, the design of the project and its construction according to the specification, permits, receipt of all licenses and approvals that will be required upon the construction of the project, including the planning, execution, managing, constructing and establishing in full and complete manner of all the new apartments, the construction of the elevator shaft and elevator installation, the basements, the storage places, the ramps and the common parts in the building and in the yard, including the development work, the execution of the work and their completion in accordance with the plans, specifications, permit, instructions of the Supervisor and this agreement, and delivery all the equipment, accessories and materials that will be required for this purpose to the property and the apartments, as well as all the necessary equipment required for the completion of each apartment and the completion of the project, and including the execution of any other work that the constructor must perform in accordance with the provisions of this agreement, its appendices, including for the purpose of obtaining Form 4, a population permit and a certificate of completion (Form 5) and including the establishment of a lobby and a sample apartment in the location selected by the Supervisor, everything is fully and perfectly in accordance with and according to the plans, specifications, the

permit and other provisions of this agreement;

Execution of the work in the different apartments in accordance with the specifications, according to the types of apartments, that the customer will provide and/ or the Supervisor on behalf of the customer.

Without derogating from the above, the framework of the works will include execution and completion of all the development and gardening works, both for the general yard and for the garden apartments, as well as all the development work according to the plans and specifications and/ or as required by the Herzliya Municipality and/ or any authority other qualified for the purpose of obtaining a certificate of completion, including for the installation of water, gas, sewage, installation of power lines, infrastructure, telephone, etc., including connection to the municipal network, all in accordance with the requirements of the competent authorities and subject to the provisions of this agreement.

Without derogating from the generality of the aforesaid and removing any doubt, it is clearly clarified and agreed that the works as defined above include all the works that accompany the work as stated up to a complete, perfect and definite completion, including but without detracting from the generality of the aforesaid, execution reinforcement and support works, infrastructure works, relocation of infrastructure within the boundaries of the plot and development in part as well as the insertion of temporary anchors on the site and/ or in the adjacent plots as well as the insertion of all connection/ launch details between the different elements in the execution of the works, even if they do not appear in the above-mentioned plans and specifications, the execution of all the final works in respect of the various elements and including any request and/ or addition and/ or modification of the customer's in the connection details as stated, and all without that the contractor shall be entitled to any supplement to the consideration as defined in this agreement in respect of any work accompanying and/ or any connection details and/ or any details and/ or additions to such connection details;

**"Technical Specifications"**

Technical specifications according to the Sale Law (Dwellings) 1973 - which includes technical specifications for the public and joint areas territories, attached to this agreement as Appendix B1;

**"The Special Technical Specifications"**

An appendix with the special conditions, which will define, among other things, the finishing materials and accessories that will be used in the new apartments, attached to this agreement as Appendix B2

**"The Supplementary Technical specifications"**

Any addition, amendment or modification to the technical specifications and the special technical specifications and the specifications of the public areas, which will be delivered at any stage after the signing of the agreement and during the execution of the work, with regard to the contents of the additional and supplemental plans, which in fact its delivery to the constructor will be considered as attached as Appendix B3 to this agreement;

**"The General Specification"**

The general specifications for the works as published by the Special Inter-Ministerial Committee of the Governmental Ministries, with the participation of the Ministry of Defense, Department of Housing and Finance, Ministry of

	Construction and Housing, Planning and Engineering Administration and the IDF, in all its chapters, in its latest edition as of the date of signing the agreement shall apply and be binding with regard to the execution of the works in accordance with this agreement, attached to the agreement as Appendix B4 although in practice was not attached to it;
<p><b>“The specification/s”</b> <b>“The Building Permit”</b></p>	<p>The technical specifications, the special technical specifications, the supplementary technical specifications and the general specifications; The building permit which will be attached to this agreement as Appendix A3 and A4 upon receipt, as required, and including supplementary and/ or additional permits and/ or modifications thereto, as be received from time to time at the request of the customer and/ or the competent authorities, which will allow the execution of the works and/ or their completion;</p>
<p><b>“Appendices”</b></p>	<p>All Annexes to this Agreement (whether or not actually attached thereto), as well as all documents, including the specifications, plans, schedule, stages of execution, technical conditions, maps, diagrams, drawings, calculations and all other documents attached and/ or to be attached in the future to this agreement, and which will be signed by the parties, including documents required by the Supervisor for the purpose of executing this agreement;</p>
<p><b>“Form 4”</b></p>	<p>As defined in Regulation 5 of the Planning and Building Regulations (Permits for the Provision of Electricity, Water and Telephone Services) 5741-1981, in the wording of the relevant local committee, in which no prevention or restriction for occupancy was determined, and if the invention of this form includes a permit for occupancy, then the form will include an occupancy permit;</p>
<p><b>“Completion Certificate”</b></p>	<p>As defined in Regulation 21 (d) of The Planning and Building Regulations (application for a permit, conditions and fees) 5730- 1970;</p>
<p><b>“Inspection period”</b> <b>And “The Responsibility Period”</b></p>	<p>As defined in the Sale (Dwellings) Law 5733-1973, the inspection period begins after three months elapses from the date of delivery of the last unit in the project to the customer and/ or to his order and/ or to the Customer, in accordance with the provisions of this agreement, when the project is completed and all its systems are operating regularly and continuously and ending at the end of the longer warranty period applies on works of this type under this agreement and under any law, whichever is later;</p> <p>The inspection period in respect of the public and common areas will begin from the date of their delivery to the customer and/ or to any on his behalf including the Supervisor.</p>

## 2. The transaction

2.1 The customer hereby submits to the constructor and the constructor accepts it and undertakes to to build the project and carry out the work in a thorough, excellent, accurate and professional manner, as described and defined above and hereinafter, in accordance with the plans, the quantities statements, the specifications and the provisions of this agreement and all its appendices and attachments, in a final and absolute manner in the

method which includes all the works in the consideration detailed in section 11 below and in **Appendix C**.

2.2 The essence of the works and the constructor's obligation under this agreement is to build and erect the project and carry out all the work involved in full and on time on a basis – “TURN KEY PROJECT” - and “overall responsibility” - including the construction of the common and/ or attached areas and all the development works in the building and the yard, within the boundaries of the lot, and hand them over, when they are in final and perfect condition, to the customer, as well as to accept and fulfill all the customer's obligations to the client in everything related to the construction, the quality of the construction, inspection, warranty and schedules, as set forth in the tender brochure documents and in this agreement.

### 3. **Customer's statements**

The customer hereby declares as follows:

- 3.1 That he is entitled to register with the Land Registry Office as the owner of the full ownership/ lease rights of the land and that at the time of signing this agreement he is entitled to enter into this agreement and commit as specified therein, and that his representatives for this agreement and execution are the customer's representatives. The constructor confirms that he is aware that solely the customer's representative may confirm a deviation from schedules.
- 3.2 That the Planning and Construction Committee Herzliya approved the construction of the building and that as of the date of signing this agreement, the building permit for the construction of the building is in the final stages of approval by the local committee and will be attached as **Appendix A3** to the agreement immediately upon receipt.
- 3.3 He empowered the Supervisor to represent and act on his behalf in connection with the day-to-day execution of construction work subject to this agreement, as his representative for all intents and purposes, including the approval of works in accordance with payment bills to be submitted by the constructor. Any change and/ or addition and/ or exception with a financial significance and/ or extension of the duration of execution will require the prior written approval of the customer.

### 4. **Constructor's statements:**

The Constructor hereby declares and undertakes the following:

- 4.1 That he holds a constructor's license in classification C5 and above. A copy of the contractor's license is attached as **Appendix Q** to this agreement.
- 4.2 That he has experience, ability, skill, organizational, managerial and professional set-up, and knowledge in construction and that he is engaged in the construction of apartment buildings of all types, including the housing units of the building type and the project subject to this agreement, and that he has all the financial and other means, adequate and sufficient means in terms of manpower, equipment, tools and materials, means, financial strength, specializations, workmanship, suitable and skilled manpower and all other means necessary

to fulfill his full obligations under this agreement, and that he is competent and is capable in any respect of the performance of its obligations under this agreement, in full and on the dates set forth in this agreement and in accordance with the provisions and terms of this agreement, and financing in order to complete the all work and the entire project within the period stipulated for this in this agreement, at the highest level and professional skill, and this statement is based on an examination of all the conditions related to the execution of its obligations under the agreement and on time.

- 4.3 That the managers of the constructor and/ or the constructor are a constructor legally registered in the register of contractors, according to the Registration of Contractors for Construction Engineering Law, 5769, 1969, in the scope and classification appropriate according to any law for the execution of works and project construction as described in this agreement, this registration is valid at the time of signing this agreement, and that there is no fear of it being deleted from the contractors' register. A copy of the contractor's license is attached as **Appendix Q** to this agreement.

The constructor undertakes to pay at his own expense all the annual fees to the Contractors Association and/ or the Registrar of Contractors and/ or the Registrar of Companies and/ or any other relevant party and to refrain from committing any act or omission that could cause it to be deleted and/ or suspended from the Contractors Register. If such a case is required the constructor shall report this immediately to the customer.

- 4.4 That he has and will have in his possession throughout the period of the project all the necessary permits and/ or licenses and/ or approvals required according to any law for the performance of the works, at his own risk and expense.
- 4.5 That all the necessary formal actions have been taken according to the company's documents – the constructor for the purpose of this agreement, and that there is no impediment of any kind and type (whether legal or otherwise), which prohibits or prevents him from entering into this agreement and fulfilling all his obligations and/ or obligations under this agreement in full, accurately and on time. The signing rights in the company (the constructor) is attached to this agreement as **Appendix P**.

- 4.6 The constructor hereby declares and confirms that he has seen and inspected the plot, its location, condition, and area and that he has and will not have any claims and/ or claims against the customer, regarding the type and the quality of the land and/ or for non-conformity of any kind, and on the date of the beginning of the works he receives the land in its condition ("AS IS"), and he waives a final and absolute waiver of any claim that stands and/ or will stand for it, including a choice due to error, deception, coercion, defect, non-conformity or any defect, and the constructor is deemed to have checked in a complete manner, before submitting his proposal and before signing this agreement, the plans, the lot and its surroundings, the quality and type of land, the quantities and quality of works and materials needed to carry out the construction, the access roads to the construction site and/ or nearby buildings, the organization areas and that he is aware of all the protection and separation works required, including for the protection of pedestrians, and that he has all the other information necessary that may affect his bid in the tender and his engagement

in this agreement. The contractor declares that he will carry out drilling as required by the plans.

- 4.7 The constructor states that he examined the scope of the works and the means necessary to carry them out, examined all the conditions and circumstances related to the execution of the works including connecting the project to all necessary feeds such as: electricity, water, communications, cable TV, satellite TV infrastructure, sewer and drainage and all other factors, which have or may have an effect on the performance of its obligations under this agreement and that he waives in advance any claim and/ or claim and/ or demand in this regard.

Without prejudice to the foregoing and below, the constructor undertakes to take care and obtain on his own all the data and additional information necessary for the performance of the works and all other obligations, in accordance with the provisions of this agreement. In any case, the constructor agrees that if he lacks information regarding the execution of the works, this information will be completed at his request during the execution by the customer, insofar as such information exists with the customer.

The constructor declares that the consideration under this agreement is final, full and sufficient consideration for his entire obligations under this agreement and the documents that had been given to him prior to his signing including, as set forth in Sections 8.4 and 18 below, and that he shall not raise any requirements for additional payment due to a mistake in assessing the scope of the works and/ or the materials required to perform the project according to the plans and technical specifications, if and to the extent that it erred, and/ or due to ignorance and/ or misunderstanding of the provisions of this agreement and/ or section of the technical specifications and/ or misunderstanding of the plans and/ or any other document related to this agreement and/ or because the terms of this agreement are discriminatory or unfair or infringe on public policy (if and to the extent that they are such) and/ or due to ignorance and/ or ignorance understanding and/ or non-recognition of any condition involving and/ or related to the performance of the works.

- 4.8 That he examined the general schedule of the attached project attached as **Appendix D1** to this agreement, the plans and the technical specifications, including the dimensions that appear in the plans and/ or in the technical specifications, and found out that all of these correspond to the factual situation on the site and to the execution of the works in accordance with the provisions of this agreement.
- 4.9 That he conducted a market survey, including the state of the labor market and the inventory of materials in the market and their prices, that he is familiar with the relevant rules and laws, that he received the full attached appendices for this agreement, the documents and explanations and any information requested from the architect and the supervisor, as well as from other people on behalf of the customer, and accordingly submitted a bid to the customer to perform the work.

The Contractor declares that he has verified and checked himself the quantity calculations, area calculations, cost calculations and any other calculation relevant to the works, and therefore, he will be prevented from raising any claim regarding the attached appendices or

regarding any figure or detail or calculation in relation to the works and declares that these risks are in the context of the project and relate to its profit calculation and/ or in any other context, imposed on him only.

4.10 That he is aware that the work is planned to be carried out during the winter months as well, and that he takes on all the risks arising from and/ or related to it in advance. It is emphasized that during the winter period the constructor will not perform filling works for flooring or flooring without complete and absolute protection of the fillers against moisture.

4.11 That he engages with the customer knowing that the plans attached to this agreement are not full and/ or final plans and that he will be provided with more detailed and complete plans and/ or other additional plans, all after signing this agreement, during the execution of the works, and he declares that he will have no right of return, any claim or monetary claim in this regard. The constructor agrees that the delivery of the plans in his hands shall be lawfully as attaching them to this agreement and shall form an integral part thereof.

Without derogating from the above, the constructor declares that he will not claim to extend the duration of the work and/ or for a change in the consideration due to the fact that he is being provided with the plans for implementation gradually and/ or in stages.

4.12 That he examined in depth the invitation to submit proposals and its various appendices, this agreement, the building permit, the plans, and the specifications and all the appendices to the agreement (above and below - "the documents") and in any case he was given a reasonable opportunity to perform all the required tests and get all the explanations he asked for.

4.13 The constructor shall be deemed to have been persuaded on the basis of his preliminary inspections that the agreed consideration is fair and fully and definitively satisfies his opinion for the performance of all his obligations as set forth in this agreement, and it will not change for any reason even if he chooses not to make any inquiries and the necessary tests.

4.14 That he has read this agreement before signing it, and that the agreement and all its appendices, includes all that is necessary for the completion of its terms.

4.15 The constructor acknowledges that in his engagement under this agreement he did not rely on a presentation or fact presented or brought to his notice by the customer, that he was given the full option to check and that he checked the correctness of all the statements and representations of the customer under this agreement and that he was prevented from claiming he did not check or not inquire all necessary things or that nothing has been disappeared from it.

4.16 It is known to the constructor that a building permit has not yet been obtained and that the customer may demand and receive a permit for changes and therefore there may be changes between the permit plan submitted for approval and the final work plans according to which it will be required to erect the building, either due to a requirement of authorities or a change in standards, in accordance with the building permit to be obtained. The constructor undertakes to carry out the work according to the construction plans that will

- be prepared after receiving the building permit, including the permit for changes when it is received, without any additional financial requirement. Notwithstanding the aforesaid, if the construction plans actually add construction areas and/ or additional construction costs and/ or changes that the customer requests (in works and/ or in quantities) of more than 8% (eight percent) of the amount of consideration for the works specified in the appendices to the tender and/ or in this agreement and/ or as a result of a requirement of the authorities and/ or a change in the standards, including planning completions and/ or changes resulting from the development of detailed plans, then the owner will be responsible to finance it.
- 4.17 It is known to the constructor that the customer may from time to time make corrections and/ or updates and/ or changes in the project planning and plans and/ or specifications, at its absolute and exclusive discretion, including and without derogating from the aforesaid generality, the customer may add construction areas to the project, reduce construction areas and/ or transfer building areas of any kind between the levels and/ or wings of the project. Accordingly, the constructor declares that any change and/ or update and/ or amendment in the plans and/ or specifications will be made by him in accordance with the instructions of the customer and/ or his representative and/ or the supervisor and/ or his representative, as if it was an integral part of his obligations to the customer and in accordance with the provisions of this agreement, and the constructor undertakes that in his proposal he also took into account the possibility of postponements and/ or delays in the execution of the works due to changes in such planning and/ or the possibility of carrying out the work in stages and not continuously, all in accordance the customer's instructions from time to time and the constructor will not have any requirements and/ or claims against the customer in connection with such postponements and/ or delays.
- 4.18 It is hereby emphasized that the client orders from the constructor and the constructor undertakes to provide the customer with an entire project on each of its parts, ready to operate even if different parts required for perfect execution were not explicitly required in the documents of this agreement.
- 4.19 Regarding the technical documents, plans and specifications attached to the agreement, if attached, the constructor expressly declares that he is aware that all of these are guiding documents only, which form the basis for future changes in accordance with the agreement, and will not form the basis for a claim and/ or addition of any payment by the constructor, except in accordance with the provisions of the agreement.
- 4.20 He is aware that although this contract does not physically include the Israeli standards relevant to the execution of the works, and all the requirements of the various authorities in relation to the execution of the works, including the requirements of the committee for planning and construction, the Standards Institute, the Ministry of Labor, the Ministry of Defense, the Israel Police, the Electric Company, the Ministry of Communications, the Telecom Company, the Fire Brigade, the IDF and/ or any other authority and/ or body whose requirements are necessary for carrying out the work, all of them will be accounted as an integral part of the appendices to this agreement, including, he is aware of all the requirements of the local committee for the purpose of obtaining a Form 4 and a completion certificate.

- 4.21 It was clarified to the constructor that he is not allowed to select and/ or replace the architect, the supervisor or the consultants, or the person appointed by the customer in their place, and he must be subject to their plans, their instructions and their guidelines, in connection with all matters in their field, their planning and their responsibilities.
- 4.22 The constructor is aware of the requirements of the authorities regarding green planning and takes into account future implementation of these requirements and/ or regulations in the specifications and detailed plans that will be prepared later by the customer. The constructor undertakes to carry out the works arising from the said planning at his own risk and expense as well as to sign liabilities as may be required of the Municipality of Herzliya in respect of such planning.
- 4.23 The constructor shall not have any claim and/ or demand against the customer in respect of the delay caused in the execution of the works due to any impediment in their performance arising from a directive of any competent authority and/ or force majeure, even if due to this delay the constructor suffered damages and expenses.

**4.24 constructor's representative**

- 4.24.1 Mr. \_\_\_\_\_ is the authorized and exclusive representative of the constructor in all matters relating to this agreement as defined by the Constructor's Representative in section 1.5 above. The constructor also undertakes to ensure that his qualified representative is a registered engineer, with at least 10 years of experience in similar works and his appointment and the appointment of any replacement to him will require the prior approval of the owner or the supervisor. The representative will be present on site during all working hours. The constructor's representative shall be entitled and authorized to make on behalf of the constructor any statement, undertaking, promise, etc., both orally and in writing, for any matter, for any subject and without doubts and/ or restrictions, even if they do not appear explicitly or implicitly in this agreement. To the extent that the name of the representative is not approved at the time of signing this agreement, the confirmation of his identity will be made with the prior approval of the customer and the supervisor.
- 4.24.2 The customer is entitled to consider the constructor's representative's signature on each document, with the contractor's stamp or without it, as binding or entitling the constructor in all its actions.
- 4.24.3 The appointment of the constructor's representative as stated above is irrevocable, unless the customer's consent is obtained for his replacement, since the customer's rights depend on it. It is hereby agreed that upon termination of the agreed representative's work with the constructor, the chief engineer of the constructor will be automatically and immediately appointed to replace the constructor's representative in the project until a replacement is found that is agreed upon by the customer. The foregoing does not constitute taking responsibility or liability by the customer for these matters.

- 4.24.4 The foregoing shall not derogate from the constructor's own obligations.
- 4.25 In any case where a doubt arises in the constructor regarding the correct interpretation of any provision of the provisions of the agreement, he will have to contact the supervisor and in case a supervisor has not been appointed, he will contact the customer and he will decide exclusively the correct interpretation to be followed, and his provisions shall be binding.
- 4.26 Whenever the constructor requests to carry out an open excavation in the plot without padding and for this purpose the municipality and/ or the local committee will require a bank guarantee and/ or another obligation, the constructor undertakes to provide the guarantee and commit as much as may be required by them.
- 4.27 For the avoidance of doubt, it is hereby declared that the constructor will not have any right in the plot, building, project and its parts and throughout the period of this agreement and even after the delivery of the apartments will be the status of an authorized only. In addition, in any case of disagreement, including any dispute and/ or demand and/ or claim and/ or any claim against the customer (including, but not limited to, financial demands), the constructor will not have a holding right and / or another right in the plot and/ or in the existing structure and/ or in the project and/ or in any part of it, and nothing stated in this agreement shall be construed as giving the constructor such a holding right and/ or a right of lien.
- 4.28 That he maintains account books and records as required by the Income Tax Ordinance and the Value Added Tax Law, 5736, 1975 - and he undertakes to present to the customer a certificate from a licensed clerk, as defined in the Public Bodies Transactions Law (Accounting Enforcement), 5736, 1976, or from an accountant, in regard to the aforesaid, or a certificate which states that he is exempt from their administration, not later than the date of the first payment on account of the consideration and as a condition for its payment. In addition, the constructor will issue to the customer a certificate of withholding tax before and as a condition for making the first payment.
- 4.29 That there is no counterclaim and/ or appointment of a trustee and/ or receiver and/ or bankruptcy trustee and/ or an order to freeze proceedings against him.
- 4.30 All approvals and decisions have been made by the constructor's competent bodies necessary for him to enter into this agreement and to carry out the works in accordance with the agreement on time, as well as to certify the persons signing the agreement given to him and he knows that the customer has agreed to hand over the work based on his statements in this agreement.
- 4.31 The Constructor declares that no prohibition, restriction or prevention applies to him, according to any law and/ or agreement, to enter into this agreement and to perform its obligations under the law.
5. **Customer's obligations:**

Against the performance of the obligations of the constructor in accordance with the provisions of this agreement, the customer undertakes in full and meticulously hereby towards the constructor, as follows:

- 5.1 To handle, through the architect and the consultants, in everything involved in issuing the building permit, including amendment and/ or modification of the building permit, as may be required, and in everything involved in updating and adjusting the permit to the work plans and/ or to the changes and corrections in the design, which have been made with consent, if necessary.
- 5.2 Allow the constructor to enter the plot for the purpose of perfect execution of construction work of the building immediately after receiving an order to start the work, and without this being considered as a grant of holding right in the plot but rather grant of permission only.
- 5.3 To pay the constructor the consideration under the conditions and as stated in section 11 below and in Appendix C to this agreement.

#### **6. Construction's obligations:**

- 6.1 The constructor undertakes to build the project on the site, at his own risk and expense. The constructor undertakes to carry out all the work and the rest of his obligations, according to this agreement, in accordance with the building permit, the master plan instructions, plans, construction plan, specifications, dimensions, execution plans and any instruction of the supervisor and/ or architect and/ or consultants, in accordance with the schedule in this agreement and its annexes, including, and in particular, in accordance with the provisions of section 218 below.
- 6.2 The constructor undertakes to review all plans and documents he receives, immediately upon receipt. The constructor must bring in writing, to the attention of the planners, the architect and the supervisor, any discrepancy and/ or ambiguity and/ or error and/ or defect he have found in them and/ or lack of dimensions and/ or lack of data and details that he have found in any of the other plans and documents and to receive instructions from the supervisor regarding the corrections of the discrepancies before starting and/ or continuing his work (as the case may be).

The constructor shall prepare full superposition plans for the building and submit the said plans for approval of the supervisor prior to their execution, and shall be subject to any change and/ or amendment and/ or other instruction of the supervisor. The constructor is responsible for correcting at his own expense, any defect or damage in the plans, in the superposition of the infrastructure and/ or the various construction elements and/ or elements, in measurements made by others and submitted to the constructor for reference and/ a reasonable and skilled contractor as is customary and customary in large contracting companies, and the contractor did not draw the supervisor's attention to them at the time stated above. The constructor will be required to prove that such review of all the plans and documents could not reveal the discrepancy and/ or ambiguity and/ or error.

For the purpose of the examinations that the constructor must perform and verify within his responsibility as specified in this paragraph above and in general, the constructor will use a qualified and professional surveyor and engineer on his behalf and at his expense, who will check the coordination between the plans of the architect and consultants and with the position of the plot before the entrance of the constructor to the plot, during the execution of the works and immediately upon receipt by the constructor of new and/ or updated plans for execution during the construction period - all in accordance with the guidelines of this agreement until the delivery of all the works under this agreement to the customer.

Any deviation in execution from what is stated in the plans, specifications and all appendices to the agreement that will not be approved in advance and in writing by the supervisor will entail the requirement and obligation, to perform the work again, at his expense and on the responsibility of the constructor and this without detracting from any other remedies the customer is entitled to receive as a result.

Inform the constructor that the quantities notes, if prepared, are used as an aid and for the purpose of impression only, and do not bind the customer. The binding documents are this agreement, the work plans, the specifications and the documents, including any correction or update added to them in the course of execution, the specifications, the documents, the inter-ministerial specification for execution work published by the Ministry of Defense, the Israeli standard and all its appendices and amendments, even if the change occurs after the start of the constructor's work, on all that is implied from this change, including all costs and results of this change at the expense of the constructor, the Planning and Building Act. It is clarified, that all the provisions listed in this section are binding on the contractor cumulatively and that the order of operations and their importance shall be determined at the sole discretion of the supervisor in the site.

- 6.3 The constructor undertakes to carry out the project and construction continuously, without breaks and delays and to finish the construction of the building, apartments and all works, including landscaping and development, etc., on the date specified in the agreement, and provide the customer with the building and the apartments (including the common parts of the building, the stairwells, the parking lots, and the warehouses) as defined in this agreement, when they, and the apartments are complete and habitable and/ or ready for use and as set forth in Section 20.721.1 below.

Without derogating from what is stated in the plans and specifications, the works include development work, including paths, fences, sealing, filling with tuff and garden soil, a main irrigation tap and the addition of an electrical point and a gas point in the yard of the garden apartments. The works also include the construction of a garden faucet in each of the apartments in the project, the addition of a gas point on the service balcony in addition to a gas point in the kitchen and the balconies, and electricity and water points on all balconies including the roof balconies. The works also include the execution of 50 additional power points, beyond what appears in the plans and specifications, in the public areas in the location to be specified by the inspector in coordination with the electrical consultant.

- 6.4 The contractor will perform the construction works with knowledge, expertise and quality and will build the project as a whole, at an excellent professional level, using equipment,

- tools, materials, accessories and excellent professionals, type A, all while strictly complying with the plans, specifications and permit conditions to be accepted, and the provisions of any law.
- 6.5 For the avoidance of doubt all works, expenses, payments involved and/ or necessary for the execution of the entire project, including those specified in this section, shall apply to the constructor and shall be paid by him, unless expressly stated otherwise in this agreement.
- 6.6 The constructor undertakes to supply, at his own expense, all the equipment, installations, materials, tools, utensils, accessories, machinery, appliances, equipment, products and everything else, without exception, with quality and quantity sufficient and all other things, without exception, in high quality and the required quantity, for the efficient execution of construction at the required pace according to the true meaning and intention of the plans, drawings, job descriptions and specifications, and to bring all that is necessary to the place where the construction works are carried out, including pumps, cranes, elevators, scaffolding, tools and auxiliary equipment of any kind, building materials of various kinds and all the means necessary for the execution of the works and the rest of the constructor's obligations under this agreement (all hereinafter together - "the equipment"). The constructor will be responsible that the equipment works properly and in compliance with any standard and/ or requirement according to law, as well as will be responsible for any damage caused as a result of them and/ or from their use to any person.
- 6.7 The Constructor agrees, undertakes and declares that the full consideration for the execution of the construction, works, materials, accessories and all other obligations of the constructor under this agreement, is the consideration set forth in section 11.1 below - which was set as a fixed price until all apartments and building are handed over to the customer after the receipt of Form 4, after the constructor checked the scope of the works according to the agreement and its appendices, as well as the building and the site and their surroundings and that based on the constructor's consent the consideration was finally determined without measurements, and that the owner will not have to pay, and the constructor will not have the right to demand additional payments, for the performance of the work or any part thereof beyond the amount of the consideration, except in cases where the constructor is entitled to an addition due to changes in the plan, specifications and/ or any change that qualifies for additional payment to the constructor expressly under this agreement, and all without derogating from the said in section 4.16 above. In any case the constructor will not be entitled to demand any sums of money from the owners of the plot.
- 6.8 The Constructor undertakes to carry out every instruction as stated in this agreement, including the performance of actions and the avoidance of performing actions, all with agility, professional skill, and all while making the most of all available options at his disposal, and the constructor may not, at any stage, delay the execution of an action or delay the avoidance of the execution of an action, due to disagreements with the customer and/ or with the supervisor and/ or with those on their behalf.
- 6.9 The constructor undertakes, at his own risk and expense, to uproot and remove the existing trees on the site, as long as they exist and as required by the plans and as far as permits

and/ or approvals from the authorities are required, the constructor undertakes to obtain such permits from the competent authority before the displacement and evacuation.

- 6.10 The constructor will be solely responsible for receiving from the competent authorities a Form 4, occupancy certificates, and a certificate of completion and all other approvals required and/ or may be required by any law during the construction of the building and construction of the new apartments until their completion and delivery to the owner, including being present at the audit process by the authorities and preparing everything necessary for and following the audit.

All expenses and payments in respect of the approvals and documents as stated in this section shall apply to the constructor and be paid by him, provided that the customer performs all that is incumbent on him for the purpose of obtaining these approvals, including payment of fees and taxes applicable to him to the authorities.

- 6.11 In addition, the constructor undertakes to pay in full and on time all the amounts due to the suppliers and subcontractors with whom he has contracted in connection with the purchase of materials and the execution of the works subject to this agreement. The constructor shall be liable to make the payments mentioned above irrespective of the relationship between the customer and the constructor and regardless of any dispute that may arise between them, even if the constructor's payments have been delayed or denied, in whole or in part, from any reason.

- 6.12 During the entire performance of the work, including during repairs during the inspection periods, the constructor alone will be responsible for strict observance of the provisions of any law applicable to the performance of the work, and will be responsible for complying with all instructions related to performing the work and maintaining proper standards and safety arrangements, including the employment of foreign employees and the use of heavy mechanical engineering equipment, including as specified in the Safety Appendix attached as Appendix S to this agreement.

- 6.13 It is known to the constructor that except for the building permit, which the customer is responsible for issuing, the constructor will be responsible, exclusively, for obtaining any license or other permit required to perform and complete the work, including obtaining approval from the various authorities (IEC and/ or Bezeq and/ or Mekorot and/ or cable companies, environmental protection, police, municipality or any other authority or body as required), opening a follow-up file/ accompanying the construction process, requesting permission to start work on the construction site on its documents and requirements, responsible for opening a follow-up file, to submit a request for a temporary connection to electricity and water (Form 2), for the purpose of carrying out the construction work. The application must be submitted to the building quality unit of the Licensing Institute. Upon receipt of the permit, the permit holder will contact the IEC and the water corporation and request the installation of meters at the construction site and a temporary connection to electricity and water. The constructor will build a place for them according to the law and the requirements of the authorities, opening a file in the building quality unit (in the licensing institute) which is responsible for issuing forms 4, occupancy certificates and completion certificates, fencing the plot, placing a sign as specified in the specifications,

contracting with licensed waste sites, including all interim approvals required for the receipt of a Form 4 that does not preclude occupancy and a certificate of completion. Without detracting from generality as stated above, the constructor shall be responsible for obtaining any license or permit and for fulfilling any requirement of the local authority or any other authority in connection with the constructor's construction method including the following items:

- 6.13.1 Collecting all the forms required to open a construction follow-up file
- 6.13.2 Submitting a notification form about the start of the construction work.
- 6.13.3 Notification about the appointment of a responsible for the inspection.
- 6.13.4 Notice of appointment responsible for the execution of the construction.
- 6.13.5 Appointment of a registered contractor responsible for construction (a valid contractor certificate must be attached depending on the type the building).
- 6.13.6 Approval (contract) of a contract with a certified laboratory for testing concrete and components added during construction.
- 6.13.7 Submitting a request for approval for waste removal: the form in the folder will be the amount of waste calculated by the system. In case a calculation is not made for any reason, the calculation of the amount of waste - will be done by the engineer responsible for inspection in accordance with Ministry of the Environment.  
  
A final calculation of the amount of waste will be made by the supervisor.
- 6.13.8 Additional required approvals to open the file in accordance with the terms of the permit.
- 6.13.9 Site organization plan.
- 6.13.10 Approval for the demolition of asbestos elements and the removal of asbestos waste: approval from the Ministry of Environmental Protection for the dismantling and removal of asbestos. The quantities will be calculated by the applicant in the framework of the building permit or by an engineer responsible for the inspection. The demolition and evacuation will be carried out by a licensed contractor and will be evacuated to a special waste site in accordance with the guidelines of the Ministry of Defense of the Environment.
- 6.13.11 Obtaining an approval from the Antiquities Authority as required.
- 6.13.12 Obtaining an approval from the Water Authority or Herzliya Water regarding groundwater.
- 6.13.13 Present additional permits in accordance with the permit conditions.
- 6.13.14 Performing inspections and follow-up reports during construction.

- 6.13.15 The person responsible for the inspection is obliged to submit a report on conducting an inspection of the site. The report will be submitted using a form - an inspection report on the site will be performed no later than one week from the completion of each stage in construction in accordance with the steps set forth in the Planning and Building Regulations.
- 6.13.16 Completion of the construction of the foundations of the building, including a map with the outline of the foundations prepared by a certified surveyor (the form will be sent by e-mail or placed in a dedicated service box in the reception hall).
- 6.13.17 At the end of the foundation floor, the engineer responsible for the inspection should present a situational map signed by a certified surveyor, confirming the building and height 0.00 + were made according to the building permit.
- 6.14 The plan for carrying out the work will include safety and separation arrangements for each and every stage, in order to separate it from the rest of the project such as: security fences, fire doors, escape passage and the like - all signed by a safety consultant. If the Construction Supervision Department approves the outline of the stages - the Supervision Department will open separate treatment files for each stage, and the population procedure will be managed in each of them separately from the other stages.
- 6.15 The constructor must prepare, according to the schedule and in accordance with the customer's instructions, a lobby and a model apartment, on a floor, location and the type of apartment to be determined by the customer's representative in consultation with the architect. In addition, the constructor will be subject to the customer's prior written approval of the type and model of elevators and all finishes at their base prices, before executing or ordering them. It is hereby clarified that the amount of consideration specified in section 1.11 below includes the execution of the model apartment and lobby, as detailed above, without any additional payment being made.

#### **Contractor workers and safety regulations**

- 6.16 The constructor undertakes to employ skilled and experienced professional workers, for each type of craft, in the number required for the execution of the works within the period stipulated in this agreement. In work for which registration, certificate, license or permit is required under any law, the constructor must employ only those who are registered or hold a certificate or license or permit as aforesaid, as the case may be. Before starting the works, the employees of the constructor will present employees to the supervisor on behalf of the customer, the certificates listed above including work permits at height. The constructor shall sign a declaration to comply with the provisions of the Safety Ordinance on the Site in accordance with **Appendix S** below.
- 6.17 Without derogating from the generality of the above, the constructor undertakes to employ a full-time senior foreman at his own expense, who is legally qualified and with at least 10 years of experience in similar projects, for the purpose of supervising the execution of the work (hereinafter – “the foreman”). The foreman will be regularly present at the site during regular working hours for the purpose of supervising the execution of the works. During the

construction work and during his stay at the site, the foreman will hold a "certified foreman" certificate. The foreman will be present at all site meetings, at every stage of the iron and climbing arrangement, at all the castings, at all the final stages, at all delivery's protocols, at every meeting of the customer and his supervisor that he will be invited to.

In the absence of the foreman from the site, all work on the site will be stopped and this absence will not extend the duration of the project.

During the hours when the constructor's representative is absent from the site, the foreman will be subordinate to the supervisor and will act in accordance with his instructions, all without the aforesaid imposing on the supervisor an obligation to supervise and give the aforementioned instructions.

- 6.18. The constructor undertakes to appoint a safety supervisor/s on behalf of the construction operation as defined in the Regulations of the Organization of Supervision of Labor (Safety Supervisors), 5756, 1996 (hereinafter and respectively: ("The safety officer" and "the regulations"). The safety officer will be responsible, among other things, for ensuring safety on the site, will have appropriate professional training, including, the skills required under the Occupational Safety Ordinance [New Regulation], 5730, 1970, and the Safety Regulations at Work, that has been established according to it, and any changes to them and/ or an amendment that will replace them. The safety officer will be registered with the Ministry of Labor as the person in charge of safety of the project and at any authority required by law, present a copy of his aforesaid notices to the supervisor and the customer, and shall have prior experience in managing such a project.

For the avoidance of doubt, the constructor shall be responsible for the appointment of the safety officer and for any matter involved in its operation and in accordance with the regulations and in accordance with any law, at his own expense only.

It will be clarified that the constructor will not be allowed to start carrying out the work prior to the appointment of the safety officer.

- 6.19 The customer and/ or the supervisor will be entitled to demand from the contractor to replace the foreman and without the customer or the supervisor having any obligation to substantiate and/ or justify his demand, as well as to appoint an alternative foreman in place of the proposed foreman by the constructor, which will be employed by the constructor immediately upon such request. It will be clarified that the constructor will not have the right to refuse the appointment of the same foreman on behalf of the customer except for a reasonable cause.

- 6.20 In addition, without derogating from the generality of the above, the constructor will be obligated to employ, at his own expense, a qualified building engineer with at least 10 years of experience in similar projects, as a performance engineer, who will serve as a "main contractor", and will have a license from the Registrar of the Engineers and Architects in the Civil Engineering section (hereinafter – "the Engineer"). The engineer will be present during working hours on the site, as required, will ensure that the work is carried out in accordance with the permit, plans and law and will be subject to perform "supreme supervision" over

- the execution of the work in accordance with the provisions of any law, including in accordance with the Planning and Building Regulations (Supreme Supervision of Construction), 5752 – 1992.
- 6.21 The engineer will be present at the site on a daily basis and will be present at all site meetings, at every stage of iron and climbing arrangement, at all castings, at all stages of completion, at all delivery protocols, at every meeting of the project manager and the supervisor. In addition, the engineer will also be personally responsible for all ordering of the materials and coordination of suppliers on the site including coordination in terms of schedule with reference to the critical path. The engineer will be responsible for monitoring and quality control for all components of the execution wherever they are. The engineer will be responsible for coordinating and distributing the tenant files and scheduling tenant changes and distributing all relevant material in such a way that the document system transmitted to tenants is fully compliant with the documents system in which the constructor commits in the specifications, the price offer and this agreement in the aggregate.
- 6.22 The engineer in charge of the site on behalf of the constructor will sign a commitment form of his responsibility for the construction of the foundation and his responsibility for marking the building, finishing the building foundations, level 0.0, reporting at the time of completion of the foundation and the construction work, declaration of treatment of construction waste and any other related document to the execution itself, that is required by the authorities, insofar as it shall be in connection with the execution of the works (excluding the planning). If necessary, the constructor will sign a form of his responsibility for inspection, according to which the building is executed according to the construction permit, and there are no construction anomalies (except for the responsibility for the design which is the responsibility of the customer), and for the quality, which will be attached to the permit to carry out the work, at the beginning of the work, and all this before and as a condition for making the first payment. The duty of the engineer on behalf of the constructor is to carry out the measurements and reports to the municipality as required in the planning and building regulations and in the permit conditions.
- 6.23 It is hereby clarified that the foreman, the engineer and the safety supervisor who will be employed by the said constructor, will be available at all times for the purposes of performing the works under this agreement. The constructor must ensure the presence of replacements with similar training and qualifications in any case of illness and/ or reserve service and/ or vacation and/ or other, of the constructor's representative and/ or foreman and/ or the engineer and/ or safety officer, as stated.
- 6.24 If the customer and/ or the supervisor find during the course of the construction work that the engineer and/ or foreman and/ or the safety officer and/ or the systems engineer and/ or any employee of the constructor, are not suitable in his opinion for their job - he will notify the constructor and the constructor will have to replace him immediately.
- 6.25 The constructor declares that he is the sole employer and of the foreman, the engineer, the workers and all those employed by him and on his behalf and he solely bear responsibility and all the duties imposed on the employer under the National Insurance Law or any other

law, and he undertakes to comply with all his legal duties in accordance with labor laws and any law. The contractor also undertakes:

- 6.25.1 The Constructor hereby undertakes to pay by himself and at his own expense to the National Insurance Institute all the insurance premiums he owes in accordance with the National Insurance Law, 5714, 1954, and in accordance with all later amendments, for him and for all the workers employed and/ or to be employed by him in the performance of the work under this agreement and for the entire period of the work.
- 6.25.2 For the construction work, the constructor will employ workers in accordance with the provisions of the Employment Service Law, 5719, 1959, and the regulations enacted thereunder, and any changes to them and/ or an amendment that replaces them, or in accordance with the provisions of any other law regarding the employment of workers, The constructor will pay wages and maintain proper working conditions, all in accordance with the provisions of the applicable collective agreements and in accordance with any law.
- 6.25.3 The Constructor undertakes to pay on behalf of each employee employed by him in the execution of the construction, all the taxes, including income tax, as well as all payments to the social insurance funds and the employment service at a rate to be determined for that employee under the applicable collective agreements and under any law.
- 6.25.4 The Constructor and those on his behalf shall take all necessary safety and precautions to prevent injury, loss or damage to the body or property of any person or entity in contact with the execution of the works, and especially to maintain work arrangements for the works with heat as described in Appendix K. In addition and without derogating from what is stated everywhere in this section above, the constructor undertakes to fulfill all requirements and provisions of the State Health Insurance Law and all orders, regulations and the like, which have been enacted in accordance with the above-mentioned laws, and in particular but without prejudice to the generality of the above, in such a way that all the constructor's employees and the constructor's representatives will be at all times and for the entire period of the works are entitled to all the rights under the laws mentioned above.
- 6.25.5 Without derogating from the above, it will be clarified that the constructor will only employ Israeli workers or foreign workers, whose employment has been approved by the Ministry of Labor and/ or in accordance with any law.
- 6.25.6 The contractor undertakes to employ a sealing consultant whose identity will be approved in advance by the customer and the supervisor and his detailed plans will be provided and verified by the customer and the supervisor prior to execution.
- 6.25.7 The constructor shall bear any civil and/ or criminal liability relating to the employment of foreign workers and/ or illegal residents and the customer shall have no liability in the matter. If and to the extent that the customer is charged with fines for acts and/ or omissions of the constructor as stated above, the constructor will bear any

such fine immediately upon receipt of a first demand from the customer. The constructor will not have any claim and/ or right, including he will not have the right to slow down the pace of work and/ or receive an extension of the duration execution due to problems with foreign and/ or illegal workers.

6.25.8 It is clarified that the constructor will not be allowed to house on the site any of his employees and that he must actually take care they will not reside on the site.

### **Safety regulations**

6.26 The constructor will serve as the main constructor on the site and will bear the relevant responsibility towards any party who stays on the site at any time. The constructor will sign a declaration regarding being the main constructor as specified in **Appendix S** below.

6.27 The Constructor undertakes to ensure compliance with all safety and hygiene conditions for the preservation of the lives of his employees, contractors and other suppliers, and any person who will be on the site at any time, their health and well-being, whether the constructor is obligated by law or not, and in addition, to act in accordance with the instructions of the supervisor and the safety officer on behalf of the constructor, as given by them from time to time. The constructor also undertakes to comply with the provisions relating to occupational safety in accordance with any law, and without a legal requirement - to obey and act as required by the labor inspectors within the meaning of the Occupational Safety and Health Organization, 5714, 1954, and the Occupational Safety Ordinance [New Version], 5730-1970, and to the regulations enacted thereunder and any change thereto and/ or an amendment to replace them. Without derogating from the above, the constructor must act in accordance with the safety manual attached as **Appendix S**.

Without derogating from the generality of the foregoing, the constructor shall be responsible for taking the measures and actions specified below:

6.27.1 The constructor will report to the Ministry of Labor on the commencement of the work and will provide all the relevant entities the name of the foreman and the details of the safety officer.

6.27.2 The foreman will be in regular contact and will update, from time to time and upon request, the customer's representative and the supervisor.

6.27.3 The foreman will maintain a regular and up-to-date record, among other things regarding: training he gave to employees, exceptional events and accidents (their severity, their cause, the factors involved, the investigation conducted in their results and any other relevant data) and corrective actions.

6.27.4 Without derogating from the generality of the foregoing, the safety officer will investigate immediately, any incident, an exceptional event or accident, and will report the results of the investigation and its conclusions to the supervisor.

- 6.27.5 On the site there will be first aid equipment in accordance with the requirements of any law. Instructions for emergency activities - will be brought to the attention of all employees on the site.
- 6.27.6 Before starting work on the site or the entry of guests and/ or visitors and/ or consultants and/ or employees, each of whom will receive safety training. The training will be recorded and documented. The training will suit the type of occupation and the language of the employees. It is clarified that any employee who was not trained as stated - will be removed from the site immediately.
- 6.27.7 Only skilled workers will be employed at the site. The type of equipment that will be used will be proper and complete. Equipment required for periodic inspection will be used only when a valid certificate from a certified inspector confirming its operation and correctness is present.
- 6.27.8 The contractor will build fences surrounding pits, holes and work areas, in order to maintain the safety of passers-by, both in and around the site, as the work creates a need for it, and all according to the instructions of the supervisor, the representative of the customer and the competent authorities.
- 6.27.9 The emergency crossings will be open at all times.
- 6.27.10 The constructor will provide personal protective equipment to the site workers.
- 6.27.11 Firefighting equipment will be available at all times and will be provided by the constructor.
- 6.27.12 The constructor is hereby prohibited from accommodating his employees on site except for one guard.
- 6.27.13 The contractor is responsible to place in the site warning signs and to prevent entry of persons who are not authorized to enter the site. The constructor will build fences surrounding pits, holes, elevator shafts, and work areas, in order to maintain the safety of passers-by, both within and near the site, as the works create a need for it, including tenants in nearby buildings, and everything according to Instructions of the supervisor, the representative of the customer and the competent authorities.
- 6.27.14 The constructor will install railings, safety fences, safety ceilings, warning signs, security barriers, directional barriers, etc. (above and below - "safety measures") around, above and under the place of performance of the work and in accordance with their various stages, and will keep them in good condition, all as required by the Occupational Safety Ordinance [new version], 5730-1970, at the site of the works, and in coordination with the engineer.
- 6.27.15 The constructor will take care of the roofing of passages and access roads to and from the building for pedestrians and vehicle traffic, in order to prevent injury to passers-by during the execution of the works.

- 6.27.16 The constructor undertakes to present to the customer's representative and/ or the supervisor, within 48 hours upon request, the personnel registers at the work site for inspection, as well as to provide, at the request of the supervisor, a monthly, weekly and daily manpower situation, that will include the division of employees according to their professions, types and their employment on the job site.
- 6.27.17 The constructor declares and undertakes that he has read the safety instruction attached as **Appendix R** and he undertakes to observe and observe all its instructions.
- 6.28 The safety officer will have a valid license and a valid certification certificate and will visit the site at least once a week for the entire period of the project and issue a report on each visit to the site and will provide all workers on the site with a safety briefing including work at height. The safety officer must know all the employees on the site, including subcontractors, and make sure that all workers working at the site have undergone a safety training and they work in accordance with it. The safety officer and the person in charge of safety will keep a binder at the supervisor's office with the ID card of each and every employee in the site, who has undergone the above safety training, including the signature of a safety officer, the person in charge of the safety the and the employee himself. The original will be kept by the supervisor while the constructor will be able to keep copies with him.
- Failure to comply with the safety regulations that will result in fines and/ or closure of the site will constitute a fundamental violation of the provisions of this agreement, which entitles the customer all rights under the agreement and under any law. If the customer has decided not to exploit his right to cancel this agreement due to the breach of the constructor of his obligations as aforesaid, the contractor shall have an obligation to compensate the customer for each fine and/ or delay as aforesaid, and all without detracting from the constructor's obligation to comply with the schedule as specified in this Agreement.**
- 6.29 During the entire period of the execution of the works, including during repairs during the inspection periods, the constructor solely will be responsible for strict observance of the provisions of any law applicable to the execution of the works, and will be responsible for ensuring that all instructions related to performing the works and maintaining adequate safety standards and regulations are observed, including the employment of foreign workers and the use of heavy mechanical engineering equipment.
- 6.30 The constructor hereby releases the customer and/ or anyone on his behalf, including the supervisor, from liability for any damage, including bodily injury, demand and/ or claim filed against them, and including any circumstantial or consequential damage in connection with this project, for violating any law and/ or safety rule, unless intentionally caused malice.
- 6.31 Without derogating from all the provisions of this agreement and/ or in accordance with any law, the constructor will compensate and/ or indemnify the customer and/ or anyone on his behalf, including the supervisor, for any amount that will be charged and/ or any

damage, including any circumstantial or consequential damage due to or in connection with any breach by the constructor, or anyone on behalf, of the provisions of the law and safety rules. The customer will be entitled to collect such amounts from any guarantee and/ or security that will be deposited in his hand at that time, or by way of offsetting the consideration or in any other way, as he considers appropriate.

6.32 The constructor agrees, undertakes and declares that the full consideration for the execution of the work, works, materials, accessories and all other obligations of the constructor under this agreement, the consideration as set forth in Section 11.1 below - which was determined as a fixed price, after the constructor checked the quality and scope of works according to this agreement and its annexes, as well as the plot and the site and their surroundings, and that on the basis of the constructor's consent, the consideration was determined as a definitively and fixed, without measurement, and that the owner will not have to pay, and the constructor will not have the right to demand and receive additional sums of money for the work or any part thereof beyond the amount of the consideration, except in cases where the constructor is entitled to an addition due to changes in the plan, specifications and/ or any change that qualifies for an additional payment to the constructor expressly in accordance with this agreement, and all without deviating from what is stated in section 4.16 above.

6.33 The constructor undertakes to carry out every instruction as stated in this agreement, including performing actions and avoidance from performing actions, with agility and professional skill, and while making the most of all available options at his disposal, and the constructor may not, at any stage, delay the execution of an action or delay the avoidance of the execution of an action, due to disagreements with the owner and/ or with the supervisor and/ or with anyone on their behalf.

6.34 The constructor undertakes to carry out the demolition of everything built and/ or existing on the plot prior to entering the area according to the work commencement order, and to remove all demolition and debris as stated in section 6.38 below, at his own risk and expense. In addition, the constructor undertakes to uproot and remove any existing trees on the site, and to the extent that permits and/ or approvals from the competent authorities are required. The constructor undertakes to receive them before executing the uprooting and removal.

6.35 **Water connection**

6.35.1 In addition to the above and below, and without derogating from the provisions regarding the establishment of water infrastructure in the complex. As part of the works the constructor will take care under his responsibility and expense, to receipt all the permits and approvals required for the connection of a water meter during the project period, which will be connected to a water source to be determined by the director of the water department of the local authority, and be near the place where the work is done. The expenses for connecting to the water source, including the fees applicable to it, and the current use of water for the needs of the works will be carried by the constructor.

- 6.35.2 The constructor will install a water meter, through which water will be supplied to the place of performance of the work and through which water will also be supplied to other contractors who provide services at the place of performance of the work. The constructor will carry in the expenses of his water consumption and of the subcontractors and of the other contractors, as the case may be, fully, which will be measured according to the water meter.
- 6.35.3 The constructor will ensure that the water supply is made at the appropriate pressure, while meeting the needs that arise in the performance of the constructor's work and other factors that the customer will employ, and while ensuring proper drainage and/ or required near each water source. If necessary, the constructor will install water pumps for raising the water at a suitable pressure for the upper floors.
- 6.35.4 The constructor will make safety arrangements for the protection of the site against damage that may be caused due to the works, will make acceptable protection arrangements against floods of the site and will do all the other preparations required to get the job done.
- 6.35.5 If the customer provides the constructor with a water meter and/ or water pumps and/ or water in any way, and if the customer bears any expense imposed on the constructor under this section, the customer may offset these costs from the consideration due to the constructor under this agreement.
- 6.35.6 Immediately upon request of the customer's representative and/ or his attorney, at any time, the constructor will transfer the water meter to be named after the customer, at his responsibility and his expense, as long as the meter is registered in the name of the constructor.

#### 6.36 **Electric supply**

- 6.36.1 In addition to the above and below, and without derogating from the provisions regarding the establishment of electrical infrastructure at the site as part of the works, the constructor will take care, at his own risk and expense, to receive all the necessary permits and approvals, and will obtain a suitable electrical connection for the needs of the entire work, including electrical work as part of the work, and the work of other parties to be employed by the customer at the place of work, including electricity meters, power lines throughout the work, grounding and electrical panels as required, including electrical power for running and operating the systems for Form 4, including system integration.
- 6.36.2 The constructor will ensure that the electric power is sufficient for the on-site works of all contractors, adequate lighting at each work area, full orientation lighting in all areas of the building, including the building and especially basements, stairwells and dark places, as well as special lighting in case of night work. In each work area the constructor must prepare a protected three-phase electrical panel from which the subcontractors and other contractors can receive electricity, safely and in sufficient quantity.

- 6.36.3 The constructor shall take all necessary measures to ensure alternative power supply, including by installing generators and operating them at his own expense, and shall not be entitled to any extension of schedule or other claim due to regularity and continuity of power supply to the place of execution of the work.
- 6.36.4 All expenses involved in the supply of electricity and its consumption by the constructor, the subcontractors and the other contractors, including for the running and operation of the systems, shall apply to the constructor.
- 6.36.5 Should the customer provide the constructor with electricity in any other way, and if the customer bears any expense incurred by the constructor under this section, the customer may deduct these costs from the consideration as defined below.
- 6.36.6 Immediately upon request of the customer's representative and/ or his attorney, at any time, the constructor will transfer the electricity meter to be named after the customer, at his responsibility and his expense, as long as the meter is registered in the name of the constructor.
- 6.36.7 The constructor will be responsible for any additional electrical connection required to supply the site, including increasing the existing connection for the purpose of connecting a crane and/ or any other equipment or device, even if already a temporary connection has been ordered and paid for and it is required to perform and pay for this operation again.

#### 6.37 **Measurements**

- 6.37.1 Immediately upon receipt of a work commencement order and as part of the execution of the work, the constructor will summon at his own risk and expense, a qualified surveyor who will determine fixed points for all corners of the plot (hereinafter - "permanent points") according to an earlier measurement made by a surveyor on behalf of the owner. If any discrepancy between the measurements is found, the constructor must immediately notify the supervisor and act in accordance with his instructions. The constructor will cement the permanent points and secure them in a way that he can recreate in the future.
- 6.37.2 The constructor shall issue to the supervisor a certificate from a certified surveyor on his behalf regarding the location of the permanent points, and that the points have been anchored, secured and marked correctly after checking that they are in their correct place, and he must ensure that the markings are approved by the local authority engineer and the inspector.
- 6.37.3 The constructor shall be responsible for the correct and accurate marking of the work and for the correctness of the heights, dimensions and alignment of the parts of the work taking into account the permanent points, whether any of these have been performed by him or whether performed by others. Marking expenses will apply to the constructor.

- 6.37.4 All measurements, indications and markings will be made by the constructor and at his expense, and if already done by other parties, it will be examined or completed by him, according to the matter and circumstances.
- 6.37.5 The constructor will maintain the existence and integrity of the permanent points. In case the permanent points have been damaged, disappeared or blurred, the constructor must renew them at his own expense. Whenever required by the supervisor, the constructor will allow the supervisor to use the permanent points for the inspection of the work.
- 6.37.6 In order to carry out all that is stated in this section, the constructor will employ certified surveyors at his own expense, who will use an electro-optical device (such as a distomat) and will provide all the necessary high-quality measuring instruments at his own expense. The constructor should make sure that measuring instruments are available on site, which will be made available to the supervisor as well.
- 6.37.7 Before and after the construction of the building's foundations, the constructor shall submit to the supervisor certificates of a certified surveyor regarding the marking of the foundations. For the avoidance of doubt, before performing any pile drilling and/ or foundations, the surveyor in the field shall mark the diameter centers of each pile center several times as required, to identify the pile center and secure its location. Assuming that the foundation is a raft or plates, the surveyor will mark the route of the formwork before performing the formwork and will again measure the route and location of the foundations after the formwork, but before performing the casting, as a precondition for performing the casting. Failure to perform these measurements will result in deviations and inconsistencies and any consequences arising from these inaccuracies will be borne entirely on the constructor without exception and in an absolute manner.
- 6.37.8 Before performing any casting in the building, the constructor will make a comparison between the architecture plan and the construction plan, the plumbing plan and the building permit in order to make sure that no contradictions and/ or changes and/ or inconsistencies, that should be referred and instructed by the supervisor, exist.
- In accordance with the above, the constructor shall verify prior to the casting of any protected space, its compliance with the architecture plans, the construction plans, the signed Home Front Command The construction and the construction permit, and the provisions of this paragraph above shall apply.
- The constructor will also be required to verify as a condition and prior to any preparation to casting, the adjustment of the dimensions for the area and the adjustment of the dimensions to the specifications of the acoustics, thermals, sealing and the insulation as they may be.
- 6.37.9 After casting each floor in the building, including and in particular the basement floor, 00 floor and the roof of the building, the constructor shall submit to the