**16. Fees and Expenses**

16.1 The Mortgagor shall pay the Bank fees and expenses related to or in accordance with the Promissory Note, including those related to creating the Encumbrance or such that the Bank shall be owed in accordance with the Promissory Note, and in connection with actions to keep it in force and to cancel its registration or any registration whatsoever that relates to it in any relevant registry (including revoking the recording of a caveat) or to create the Inferior Encumbrance or to maintain its operation and to take actions that will keep it in force.

16.2 In addition, the Mortgagor shall bear all fees and reasonable expenses related to collecting sums that the Bank is or shall be owed in accordance with this Promissory Note, and in connection with liquidating the Encumbrance and the Ensured Assets as stated in this Promissory Note, and that the Bank cannot avoid in reasonable ways (including professionals’ fees and expenses and reasonable fees of an attorney). The Mortgagor shall also bear any expense, payment, fee, or cost as aforesaid in connection with the prepayment of a term deposit or a savings plan, the sale of securities, and fees related to custodianship of the Ensured Assets.

16.3 Expenses associated with legal proceedings shall be collected under the provisions of any law. Attorney’s fees shall be as set forth by decision of the Court of Law or the Bailiff’s Service, and, if none exist, as shall be agreed upon with the Mortgagor in writing. Notwithstanding the foregoing, in Bailiff’s Service proceedings, unless said fee has been established, the Bank may charge the Mortgagor the minimum fee set forth under Section 81 of the Bar Association Law, 5721-1961.

16.4 Expenses that do not appear or are not determined in the Promissory Note shall be paid by the Mortgagor at their actual level.

16.5 All the aforementioned expenses shall be paid by the Mortgagor to the Bank at its first written request. However, in respect of an action or deed that the Mortgagor must undertake, the liability shall fall due at the Bank’s request or when said action or deed is carried out, whichever is earlier.

16.6 Without derogating from any of the Bank’s entitlements under this Promissory Note, the Mortgagor shall repay the Bank for any liability it incurs to the Bank on account of fees or expenses as aforesaid, along with interest at the maximum rate, and this, from the time said liability is created or from the time payment is requested, as the case may be, until its full actual settlement, all of which as set forth in the Promissory Note.

16.7 All fees and expenses, plus interest at the maximum rate as set forth in Section 16 herewith above*,* shall be part of the Secured Sums and shall be secured by the Encumbrance.

16.8 The contents of the Promissory Note in respect to fees and expenses shall apply unless the Bank and the Mortgagor have agreed or shall agree to the contrary.

**17. Books and Information of the Bank**

17.1 The books and accounts of the Bank shall constitute acceptable evidence with which to prove the veracity of their contents in all their details, *inter alia* concerning calculation of the balance of the Secured Sums, details of the notes and collateral given to secure the Secured Sums, and any other matter connected with the Promissory Note or the Secured Sums, or with documents that shall be signed or in connection with all of these. Copies of the books of the Bank or any part thereof or of the last page of said books, as shall be approved by the officer of the Bank on said documents or in a separate document, shall constitute acceptable evidence with which to prove the veracity of their contents in all details specified therein.

17.2 All details that the Mortgagor has shared or will share with the Bank may be used by the Bank in its ongoing work, as is conventional and subject to any law, and shall be stored, as the provisions of the law allow and in accordance with the needs of the Bank, in databases of the Bank or of its agent, or in databases of a party that will provide the Bank, from time to time, with computer services, data-processing services, information security, or any other service needed for the provision of Banking Services.

**18. Mortgagor’s Liability**

18.1 In the event that the Mortgagor is constituted of two or more, all constituents of the Mortgagor shall be liable singly and collectively for the performance of all undertakings of the Mortgagor in accordance with this Promissory Note. If any constituent of the Mortgagor is disqualified from or absolved in any manner of his liability for the performance of any said undertaking, the liability of the other constituents of the Mortgagor shall not be impaired. The foregoing shall also apply to a Beneficiary that is constituted of two or more in regard to the performance of all undertakings of the Beneficiary in accordance with this Promissory Note.

18.2 In the event that the Mortgagor or the Beneficiary is a legal entity, incorporated or unincorporated, or a trustee or an estate manager or the holder of a joint account with the Bank, or an organization or a body of any kind that is a combination [מלל מחוק ע"י חותמות הצדדים] of the Mortgagor or the Beneficiary (as the case may be) in accordance with this Promissory Note from any change of name, restructuring, or recomposition of the Mortgagor or the Beneficiary.

**19. Notifications and Alerts**

19.1 The Bank shall convey to the Mortgagor and the Beneficiary notifications in any matter relating to the Promissory Note only insofar as they are required by law or have been agreed upon expressly and in writing by the Bank and the Mortgagor or the Beneficiary, as the case may be.

19.2 Any notification sent by mail by the Bank to the Mortgagor or the Beneficiary, as the case may be, by registered or regular mail to the most recent address appearing in the Promissory Note or in the Bank’s account-opening documents, or to any address appearing in the Population Registry, or to the address of the registered office of the Mortgagor or the Beneficiary, as the case may be, or to any other address that the Mortgagor or the Beneficiary, as the case may be, advises the Bank in writing, shall be considered legal notification that the Mortgagor or the Beneficiary, as the case may be, has received within seventy-two hours of the time the letter that includes the notification is posted.

19.3 Written certification from the Bank or its agent concerning the sending of any notification as aforesaid in Section 19 herein above, and concerning the time of its posting, shall serve as prima facie proof of its having been sent by the Bank and of the timing of said sending, all as specified in said certification.

**20. Material Law and Jurisdiction**

20.1 This Promissory Note shall be interpreted on the basis of, and in accordance with, the law of the State of Israel.

20.2 The sole jurisdiction for the purposes of this Promissory Note is hereby determined as follows: the competent Court of Law closest to the place where this Promissory Note is signed, or the competent Court of Law in one of the following cities: Jerusalem, Tel Aviv-Yafo, Haifa, Beersheva, Lod, or Nazareth.

**21. General Provisions**

21.1 All affirmations, presentations, undertakings, instructions, and authorizations of the Mortgagor and of the Beneficiary, as stated in this Promissory Note, are irrevocable and are additional to, and shall not derogate from, any other affirmation, presentation, undertaking, instruction, or authorization of either of them to the Bank in accordance with this Promissory Note or with any of the documents that they have signed or shall sign, and the Bank has contracted or shall contract with the Mortgagor or the Beneficiary in agreements to make Banking Services associated with the Encumbrances and the collateral that secures them, *inter alia,* available on the basis of all said affirmations, presentations, undertakings, instructions, and authorizations.

21.2 Any abrogation or revision of the liabilities of the Mortgagor or the Beneficiary to the Bank in accordance with this Promissory Note, including waiver or compromise, shall entail the prior written consent of the Bank. Any waiver, extension, reduction, silence, or avoidance of action on the part of any Party in respect of nonperformance, partial performance, or incorrect performance of any undertaking of the other Party in accordance with this Promissory Note, or any undertaking of the Beneficiary, shall not be considered a waiver by the forgoing Party of any entitlement but rather as limited consent to the special occasion in which it is given.

21.3 The Bank may credit any account at the Bank that is held for the Mortgagor (singly or together with others), at its discretion, with all sums that the Mortgagor owes it under the provisions of this Promissory Note and that have not been paid as aforesaid, all of which unless explicitly agreed otherwise between the Bank and the Mortgagor. It is stated for clarity that the contents of this Section shall not derogate from the Mortgagor’s duty to pay the Bank the full sums that the Mortgagor has undertaken to pay the Bank in accordance with this Promissory Note and its terms. Without derogating from the entitlements of the Bank, including and in addition to those under this Promissory Note, the Mortgagor instructs and authorizes the Bank, irrevocably, to credit his accounts as aforesaid in this Section above.

21.4 The entitlements of the Bank in accordance with this Promissory Note are self-standing and independent of each other and are set forth as pursuant to, in addition to, and without derogating from any existing entitlement that the Bank may have under any law and under any other document that has been or will be signed by the Mortgagor or the Beneficiary or for either of them in favor of the Bank, including documents concerning opening and managing accounts with the Bank (hereinafter: **“the Additional Documents”**). The contents of this Promissory Note shall not absolve the Mortgagor or any other guarantor of the Secured Sums from any liability to the Bank on its part. The Bank may affirm its entitlements and invoke against said Parties all measures imparted to it under this Promissory Note, the Additional Documents, and any law.

21.5 Although the provisions of this Promissory Note and those of the Additional Documents are complementary, in any case of contradiction between the provisions of the Promissory Note and those of the Additional Documents with respect to matters discussed in the Promissory Note, the provisions of the Promissory Note shall prevail.

21.6 Without derogating from the generality of the contents of Sections 10 and 11 above, it is stated for clarity that the liquidation of the Inferior Encumbrance, if such happens, shall neither impair nor diminish the force of the Encumbrance or of any rights invested in the Bank in accordance therewith. If the Inferior Encumbrance is liquidated, and as long as the Bank has not chosen otherwise, the Encumbrance shall remain in full effect vis-à-vis the Encumbered Assets.

21.7 The provisions of this Promissory Note shall not create entitlements in favor of any third party, subordinate to the provisions of the law.

21.8 In any event where this Promissory Note entitles the Bank to take a given action, it shall not require the Bank to do so.

21.9 In any case where this Promissory Note entitles the Bank to take action without prior notice, said entitlement of the Bank shall be subordinate to the provisions of any law to which stipulation is not allowed.

**22. Interpretation and Definitions**

22.1 The Preamble to this Promissory Note and the appendices thereto are inseparable parts thereof and are numbered among its terms. The section titles are presented for indicative purposes only and shall not be used to interpret the Promissory Note.

22.2 Wording in the singular includes the plural and vice versa. Male wording includes female gender and vice versa.

22.3 Unless explicitly stated otherwise, in any mention of any law in the Promissory Note, the reference is to the version of the law as it shall exist from time to time and at any relevant time.

22.4 Wherever the Mortgagor or the Beneficiary, as the case may be, is mentioned, the reference is to the Mortgagor or the Beneficiary, as the case may be, including his heirs, his estate, the executors of his will, and his guardians, liquidator, trustee, and any party acting in his stead.

22.5 Unless explicitly stated otherwise, the terms included in this Promissory Note shall carry the following meanings:

22.5.1 **“Illegality”**—one of the following events:

22.5.1.1 if the Bank cannot finance itself in the currency of relevance to the Secured Sums, in full or in part, for reasons grounded in changes that occurred in the international money market, or if the Bank cannot set the interest rate that applies to the Secured Sum, in full or in part, for any reason, or if continued provision of the Secured Sums, in full or in part, under the existing terms becomes impossible for any reason;

22.5.1.2 as the result of a change in the law or pursuant to changes that shall occur in the Borrower or in his business affairs, the continued availability of the Secured Sums by the Bank, in full or in part, under the terms relating thereto as shall exist at any relevant time, or giving force to the undertakings or exercising the Bank’s entitlements in accordance with any of the documents that were or will be signed in favor of the Bank by the Mortgagor or the Beneficiary or for it in connection with the Secured Sums, shall become illegal or shall constitute a breach of law by the Bank (including breach of regulation, rule, directive, instruction, or order). It is stated for clarity that any deviation by the Bank from the limitations established in the directives of the Bank of Israel, including Proper Conduct of Banking Business Directive 313, “Limits on the Indebtedness of Borrowers and Groups of Borrowers,” shall constitute a breach of law as aforesaid.

22.5.2 **“Collateral”**—guarantees, encumbrances, pledges, and other collateral of any kind and form whatsoever.

22.5.3 **“Officer”**—a receiver, liquidator, trustee, special manager, receiver of assets, or other similar officer.

22.5.4 **“Financial statements”**—periodic financial statements, drawn up in a format prescribed by law and following generally accepted accounting principles;

22.5.5 **“Law”**—as defined in the Interpretation Law, 5741-1981.

22.5.6 **“Stock exchange”**—the Tel Aviv Stock Exchange, Ltd., and any other exchange on which securities that are part of the Ensured Assets are traded.

22.5.7 **“The Bank”**—Bank Hapoalim, Ltd., and any of its branches or offices in Israel, as well as any party acting in its stead, its agent, or its beneficiary.

22.5.8 **“Collection proceeding”**—a proceeding under the Bailiff’s Service Law, 5727-1967; the Center for the Collection of Fines, Fees, and Expenses Law, 5755-1995; the Tax (Collection) Ordinance; or any other statute that confers collection powers corresponding to those conferred in these proceedings.

22.5.9 **“Settlement”**—settlement, debt settlement, or compromise settlement.

22.5.10 **“Indebtedness”**—debt, liability, or charge owed to the bank, of whatever kind (current and future, direct or indirect, conditional or unconditional, including that of a person or a corporation of any kind as a guarantor to the Bank), and on any grounds whatsoever, all of which as shall exist from time to time, including any said liability to the Bank in any account, even if said account is jointly held.

22.5.11 **“Debts on account of third-party guarantee”**—any current or future indebtedness of the Mortgagor or the Beneficiary to the Bank in connection with, or on account of, a guarantee that the Mortgagor or the Beneficiary has given or will give the Bank to secure the indebtedness of any third party to the Bank, including a guarantee that the Mortgagor has given or will give the Bank to secure the indebtedness of the Beneficiary or a guarantee that the Beneficiary has given or shall give the Bank to secure the indebtedness of the Mortgagor.

22.5.12 **“Companies Law”—**the Companies Law, 5759-1999.

22.5.13 **“Guarantees Law”**—the Guarantees Law, 5727-1967.

22.5.14 **“Default Law”**—the Default and Economic Rehabilitation Law, 5718-2018.

22.5.15 **“Foreign currency”**—any freely convertible foreign currency.

22.5.16 **“Tax”**—any tax, duty, fee, or other compulsory payment of any kind and type whatsoever, including on account of income, capital gain or earning; Value Added Tax, deductions and deductions at source that constitute by nature, or are paid on account of, taxes, fees, duties, or other compulsory payments as aforesaid, including interest and penalties in connection with taxes, duties, fees, and compulsory payments as aforesaid, and including Stamp Tax (if applicable).

22.5.17 **“Prior legal standing”**—as determined in the Default Law or the Companies Ordinance.

22.5.18 **“Environmental hazard”**—as defined in Section 1 of the Prevention of Environmental Hazards (Civil Claims) Law, 5752-1992.

22.5.19 **“Securities”**—securities in the sense of this term in the Securities Law, 5728-1968, including bonds and also securities issued by the government and certificates of participation in a joint trust investment fund and any other security, be it included in the definition in Section 1 of the Securities Law, 5728-1968, or not included under said definition, and also “index products” as defined in the Consultancy Law, even if the Bank neither holds nor has physical custody over the certificates of the securities and the index products as part its management of the account, of any kind and type whatsoever, including bonds and all certificates issued in series by a company, a cooperative association, a partnership, or any other corporation, and also certificates issued by the Government of Israel, any foreign government, any public authority, or any other authority that operates by force of law, that confer a right of membership or participation in the issue thereof or in a claim therefrom, and also including rights that are possessed or should be possessed, including the right to receive any certificates from any third parties, including from any clearing system, and including certificates of participation in a joint trust investment fund and any other mutual fund be it a legal person or not, and also certificates that confer the right to acquire securities as aforesaid, and all of which—whether included under the definition in Section 1 of the Securities Law, 5728-1968, or not, whether said certificates or rights were issued or created in Israel or abroad, in bearer’s name or not, paid in Israel currency or in foreign currency, existing in writing or reconstructable or provable by electronic or other means.

22.5.20 **“Books of the Bank”**— including records of the Bank and also any book, ledger, account page, contract, letter of undertaking, note signed by the Mortgagor or the Beneficiary (as the case may be), catalogue, worksheet of or produced by the Bank, a tape of bank records, copies of all the foregoing as approved by the Bank or submitted by it as part of its books, and anything that may be produced from all the foregoing in data storage or retrieval devices, electronic imaging and other technology, as done in the ordinary course of business of the Bank.

22.5.21 **“Interest at the maximum rate”—**for Israel currency: the maximum interest rate as shall prevail from time to time that the Bank applies to credit balances in a demand account in Israel currency for which no valid current facility exists; for foreign currency: the maximum rate as shall prevail from time to time that the Bank applies to credit balances in a demand account in the relevant foreign currency for which no valid current facility exists.

22.5.22 **“Records”**—any record or a copy of a record that preserves information about transactions in an account with the Bank or data of an account with the Bank and the details thereof, whether recorded or copied via printing, duplication, electronic imaging, or photography (including microfilm), or recorded or copied by means of any mechanical, electric, or electronic instrument or any technology that preserves information about transactions in the account with the Bank or in connection therewith, and also an output, digital material (i.e., information), and an electronic message that includes data about an account with the Bank or notifications from the Bank in connection with an account with the Bank, created by recording media of the Bank’s computer, in the sense of the terms “output” and “digital material” (i.e., information) and “computer” in the Computers Law, 5755-1995, and also a paper printout of the contents of a computer file, or any record in any other medium of the Bank or presentation of words or literature or other characters of any kind that the Bank regularly uses or resorts to in its records.

22.5.23 **“Note”** or **“notes”—**any debt note, bill of exchange, check, obligation, collateral, endorsement, bill of lading, bill of deposit, withdrawal, payment order, and also any negotiable instrument of any kind whatsoever.

22.5.24 **“Change of law”**—application of a new law, new legislation, or revision of existing law or its incidence or application that takes place after this Promissory Note is signed, including: a change in the interpretation of an existing law; a new requirement presented to the Bank by the Bank of Israel, including a new obligation under an agreement that the banks in Israel conclude with the Bank of Israel or a change in banking practice vis-à-vis the Bank of Israel; a new demand addressed to the Bank by any other competent authority in any relevant jurisdiction; and all of which—even if said law, change, demand, obligation or practice does not oblige the Bank but is regularly invoked by other banks or financial institutions in n any relevant jurisdiction. For this purpose, the term **“law”** is as defined in this Section above as well as any regulation, rule, directive, instruction, order, or obligation vis-à-vis the Bank of Israel, or any practice as aforesaid.

22.5.25 **“Restructuring”**— its meaning with respect to the relevant legal entity or legal body is all of the following:

22.5.25.1 merger or splitting, in the sense of these terms in Part E2 of the Income Tax [Revised Version] Ordinance or the Companies Law (including unification and reorganization, all of which—whether drawn up under Part 8 or Part 9 of the Companies Law or in any other way) or any action of similar outcome with respect to a partnership or corporation not in Israel;

22.5.25.2 an action that has the outcome of acquisition, transfer, or receipt of assets that are material for the legal entity or the legal body in its extent or by its nature, or acquisition or receipt of a material obligation as aforesaid;

22.5.25.3 receipt of assets in return for shares or other securities or other rights of the legal entity or the legal body, where said assets of relevance for said action are material for the legal entity or the legal body in their extent or by their nature.

All of which—either in a single transaction or in a series of transactions.

22.5.26 **“Banking Services”**—the full set of services that the Bank customarily offers its customers, as are conventional at the Bank from time to time.

22.5.27 **“Control”**—in the sense of this term in the Securities Law, 5728 -1968, and, for a corporation to which this Law does not apply—*mutatis mutandis.*

22.5.28 **“The Encumbrance”**— the encumbrance, pledge, and endorsement via encumbrance set forth in this Promissory Note.

22.5.29 **“The rate schedule” or “the Bank’s rate schedule”**—the rate schedule of the Bank as is posted in the branch, on the Web site of the Bank, or in cellular applications of the Bank, by means of automatic machines or in any other way the Bank is allowed to present them, including the sums and rates of bank charges and other payments and sums associated with the Banking Services. The way each of these is updated and revised, all as set forth in said rate schedule, shall be practiced by and acceptable at the Bank from time to time, subordinate to any law.

Each of the undersigned confirms that the Bank advised him of the facts set forth in the Promissory Note in connection with the Secured Sums before he signed the Promissory Note. In addition, each of us confirms that we were given a reasonable opportunity to study the Promissory Note before signing it and received a signed copy of the Promissory Note.

**In witness whereof, we affix our signatures:**

|  |  |  |
| --- | --- | --- |
| Name of Mortgagor 1  Haifa Museum Ltd., External Company No. 560035404 | Name of Signatory 1 on behalf of Mortgagor 1:  Naftali Shtitzer | ~~Name of Signatory 2 on behalf of Mortgagor 1:~~ |
| Function of Signatory 1 on behalf of Mortgagor 1:  Manager | ~~Function of Signatory 2 on behalf of Mortgagor 1:~~ |

|  |  |  |
| --- | --- | --- |
| Name of Mortgagor 2  Shenhav R Haifa Museum Ltd., Company No. 515861599 | Name of Signatory 1 on behalf of Mortgagor 2:  Menachem Raucher | ~~Name of Signatory 2 on behalf of Mortgagor 2:~~ |
| Function of Signatory 1 on behalf of Mortgagor 2:  Manager | ~~Function of Signatory 2 on behalf of Mortgagor 2:~~ |

|  |  |  |
| --- | --- | --- |
| Name of Mortgagor 3  Shenhav S Haifa Museum Ltd., corporation no. 515861656 | Name of Signatory 1 on behalf of Mortgagor 3:  Naftali Shtitzer | ~~Name of Signatory 2 on behalf of Mortgagor 3:~~ |
| Function of Signatory 1 on behalf of Mortgagor 3:  Manager | ~~Function of Signatory 2 on behalf of Mortgagor 3:~~ |

|  |  |  |
| --- | --- | --- |
| Name of Mortgagor 4  B. Kima Investments Ltd., Company No. 514921246 | Name of Signatory 1 on behalf of Mortgagor 4:  Ben Kima | ~~Name of Signatory 2 on behalf of Mortgagor 4:~~ |
| Function of Signatory 1 on behalf of Mortgagor 4:  Manager | ~~Function of Signatory 2 on behalf of Mortgagor 4:~~ |