**BUILDING MANAGEMENT AGREEMENT**

Drawn up and signed in Jerusalem on \_\_\_\_\_\_\_\_\_\_\_\_\_\_

(hereinafter: “**Company**” or “**Management Company**”)

Party of the First Part

Between

Name \_\_\_\_\_\_\_\_\_\_\_\_\_ ID \_\_\_\_\_\_\_\_\_\_\_\_

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_ ID \_\_\_\_\_\_\_\_\_\_\_\_

and an authorized delegation on behalf of the tenants’ committee

Street: 2 Hagdud Ha’ivri Jerusalem

(hereinafter: “**Delegation of the Tenants**” or “**Tenants’ Committee**”)

Party of the Second Part

**Whereas** The Management Company deals in the provision of ongoing management and maintenance services in condominiums (hereinafter: “**Management Services**”).

**And whereas** The Tenants’ Committee duly acts as the sole, authorized representative of the tenants of the building at 2 Hagdud Ha’ivri Street Jerusalem (hereinafter: “**House**”, “**Building**”).

**And whereas** The decision regarding a contractual connection for the provision of the Management Services via the Company was received with the consent of the tenants by law (at least two-thirds of the tenants who are owners of the common property). **The minutes of the general meeting of the tenants is attached herein as Addendum B to this Agreement.**

**And whereas** The Tenants’ Committee applied to the Company with a request for the execution for it of the ongoing management and maintenance of the Building, and the Company has agreed to accept its execution, all pursuant to the terms of this Agreement hereunder.

**It is therefore declared, stipulated and agreed as follows:**

*1*. **Period of the Agreement**

1. The period of the contractual connection (hereinafter: “**Period of the Contractual Connection**”, “**Period of the Agreement**”) is for 12 months from \_\_\_\_\_\_\_\_\_\_\_ until \_\_\_\_\_\_\_\_\_\_ with the possibility of an extension under the terms of this Agreement.
2. In the absence of a notice by either of the Parties to this Agreement, to be delivered in writing to the other Party at least 60 (sixty days) before the end of the Period of this Agreement as stated above, this Agreement will be renewed automatically for an additional period of one year, and so forth, under the terms and conditions and at the amounts fixed in this Agreement and its Addenda.
3. Despite what is written above, it is agreed that there will be a trial period of 90 days (hereinafter: “**Trial Period**”) in which the Tenants’ Committee may bring about the cancellation of this Agreement by giving a 30 day advance notice.
4. Despite what is written, the Management Company, at any time and without the need to provide any reasons whatsoever, may terminate and/or cancel this Agreement together with its Addenda by means of a written notice to the representatives of the Tenants, at least 75 (seventy-five days in advance). Said notice on the cancellation will obligate the Company to return any check and/or payment of an apartment owner and/or anyone on his behalf held by the Tenants’ Committee of the Building of that apartment owner.
5. It is hereby clarified that any notice from the Tenants’ Committee on the cancellation of the Agreement will be done only when they are holding minutes signed by 51% of the apartment owners requesting this.

*2*. **Declarations and Undertakings of the Management Company**

1. The Management Company declares that it has the knowhow and the experience to provide the Management Services pursuant to the terms and conditions of this Agreement and according to the price quote and that it will act professionally, diligently and while protecting the rights of the apartment owners and/or the representatives and/or any one of them and/or anyone on their behalf.
2. The Management Company will deal with the collection of the current Tenants’ Committee fees applying to the tenants from them and when necessary it will take the legal measures it sees fit and at its discretion with the approval of the Committee.
3. For the execution of its undertakings under this Agreement, the Management Company, at its own discretion, may employ workers, contractors, subcontractors, professionals and persons from any other branches (hereinafter: “**Service Providers**”) whom it sees fit to employ and/or sign contracts with for the management and execution of the services.
4. It should be clarified that if for the purpose of its undertakings under this Agreement, the Management Company employs others as stated above, the Management Company will remain responsible vis-à-vis the tenants and the Tenants’ Committee for all its undertakings under this Agreement, in addition to and without derogating from the responsibility of the third parties to the representative and/or to any third party under law and/or the Agreement.
5. Without derogating from what is stated above, it is hereby clarified that the Company will not be responsible for any breakdown and/or damage in the residential Building and in the common property, including damage resulting from the incorrect operation of any of the systems existing in the residential Building and in the common property by the Delegation of the Building and/or anyone on its behalf and/or any of the tenants of the Building and/or any of the guests of the Building and/or any third party whatsoever who was staying in the Building, even if he is defined as a guest and/or from an act and/or omission of any of those listed above and/or on their behalf, other than damage caused by the Management Company as the result of an act or omission.

*3*. **Declarations and Undertakings of the Tenants’ Committee**

1. The Tenants’ Committee declares that it has been authorized by the tenants in the Building to sign this Agreement and to bind all the tenants of the Building in accordance with the attached minutes.
2. The Tenants’ Committee declares that it will cooperate with the Management Company in order to permit the management of the services and their regular and proper execution.
3. The Tenants’ Committee declares that, if necessary and at its own discretion, it will assist the Management Company in receiving permission from any of the tenants to enter their property, according to a notice given as far in advance as possible for the execution of the undertakings of the Management Company in the Agreement and/or in its Addenda and/or for the provision of the services, whether this is work required for execution in the apartment of one of the tenants or in the common property. In the event of any such action, the Management Company will use all means so that the disturbance to the possessor of the property will be as minimal as possible and that the original condition of the property will be restored as soon as possible.
4. The Tenants’ Committee has appointed the Management Company to collect the payments from the tenants of the Building which they are required to make and to take legal measures required for this, if necessary, from time to time at its own discretion after notifying the Tenants’ Committee and pursuant to the rules of the Association of Better Housing.
5. It should be clarified that in taking any legal procedure and/or means against a tenant, the Company will require the tenant against whom the legal procedures were taken to bear the expenses of the procedure.
6. The Tenants’ Committee authorizes the Company to appoint an attorney on its behalf for the handling of legal claims against those refusing to make payments in the Building and undertakes to sign a power of attorney to this effect immediately upon the demand of the Company, after receiving confirmation from the Tenants’ Committee.
7. The Tenants’ Committee authorizes the Company to sign contracts with others in its name for the execution of work where the obligation to execute it under this Agreement falls on the Management Company.
8. For the avoidance of doubt it is hereby clarified that no employer-employee relationship will exist between the Management Company and/or its employees and/or the bodies listed above and the Tenants’ Committee and/or any of its members.
9. In the framework of the provision of the Management Services to the Building, the Management Company may from time to time determine practices and procedures the purpose of which is to ensure the proper, ongoing management of the Building, at its professional discretion and with the approval of the Committee.
10. Any repair/renovation in the Building in excess of NIS 500 will require the advance approval of the Tenants’ Committee. Despite what is written, in an emergency, the Management Company will not need to receive the consent of the Tenants’ Committee.
11. It is hereby clarified and agreed that if this Agreement is terminated by either of the Parties, the Management Company may deduct any amount owed to it for this Agreement.

*4*. **Management Services**

1. For the management fees which are to be paid to the Company by the tenants, the Management Company will be responsible for the execution of the actions listed in Addendum A of this Agreement and the arrangement of the payments resulting therefrom. It is hereby clarified for the avoidance of doubt that the specification appearing in Addendum A is what determines the basket of services which the Company has undertaken to provide to the Building for the management fee, and in any case of a discrepancy, it should be followed.
2. The hiring of services and the execution of repairs and treatment of the common property and its installations will be done in coordination with the Tenants’ Committee and with its advance approval. If the Company has hired services from service providers (as defined below) for handling and/or cleaning and/or repair of breakdowns in the Building and/or for any other subject delivered for its handling under this Agreement, the Tenants’ Committee will bear the costs involved therein and will pay them to the Company or directly to the Service Provider upon receipt of a detailed payment demand and according to the instructions of the Company.
3. The expenses of the Management Company for the management and maintenance of the Building, including legal and other services, will be out of the Tenants’ Committee money in its possession and under its management. Moreover, the Company may demand that the tenants cover the expenses which may occur for the management of the Building beyond the current monthly payment demands, on condition that advance approval for this has been given by the Tenants’ Committee before the actual outlay, except in the case of an emergency.
4. It is hereby clarified for the avoidance of doubt that every application of the Management Company to courts in the name of and for the Tenants’ Committee will be done after receipt of approval from the Tenants’ Committee with consent that all the legal expenses will be covered by the Tenants’ Committee until they have been covered by a third party.

*5*. **Terms of Payment**

1. For the Management Services, the Management Company will receive a monthly fee of NIS 400 + VAT.
2. The Tenants’ Committee payment will be collected in the form of post-dated checks for 12 months. If the Agreement is renewed, the Tenants’ Committee will transfer 12 additional post-dated checks.

*6*. **Insurance**

1. The Tenants’ Committee will take out an insurance policy which covers all the common property in the structure of the Building and its installations, including damage to a third party.

*7*. **Miscellaneous**

1. The Delegation of the Tenants hereby delivers the management of the Building to the Management Company exclusively during the period of this Agreement and undertakes not to execute the Management Services and/or any portion thereof together with and/or by means of anyone other than the Management Company.
2. During the gathering of all the members of the Committee for a meeting, the Management Company will be an integral part of the forum.
3. The Management Services will be given by the Company during customary work hours on Sunday through Thursday (08:30 - 18:00), other than for urgent breakdowns which require immediate handling. The Company will make an emergency telephone number available to the Tenants’ Committee.
4. Any breach of any one of the sections of the Contract will be deemed a fundamental breach as this is defined in the Law of Contracts (Remedies for Breach of Contract) 5731-1971, on condition that a period of 14 days is given by each Party to the other to correct any correctible breach.
5. The Company will have permission to view the account data with means which the Tenants’ Committee makes available to it.

**In witness thereof we have signed:**

Party of the First Part:

MLG Building Management Ltd.

**Signature:**

**Stamp of the Company:**

Party of the Second Part:

Authorized representative of the Authorized representative of the

Tenants’ Committee: Tenants’ Committee:

**Name: Name:**

**ID: ID:**

**Signature: Signature:**

Addendum A:

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| Serial no. | Service | Comments |
| 1 | **Management and maintenance services**  **MLG Building Management Ltd.** | Weekly review of Building |
| 2 | Follow-up of ongoing cleaning and maintenance services in the Building |
| 3 | Follow-up of payments to external suppliers (electricity, water, gardener, etc.) |
| 4 | Follow-up of periodic and safety checks of the elevator |
| 5 | Handling of urgent problems which are liable to arise at any time, such as: a breakdown in plumbing, electricity, etc. |
| 6 | Issuing of semi-annual reports which are to be transmitted to the Tenants’ Committee regarding all the handling done during said period. |
| 7 | Collection services - handling of tenants who have not been paying will be done by the Management Company |