Serial Number of Collateral
(for internal use)

436 8520000

**Appendix 2 — Itemization of the EP**

Name of Mortgagor: Haifa Museum D.R. Limited, ID no. 560035404, address: Hanevi’im 45, Jerusalem 9514103

Name of Mortgagor: Shenhav R. Haifa Museum Ltd., ID no. 515861599, address: Hanevi’im 45, Jerusalem 9514103

Name of Mortgagor: Shenhav S. Haifa Museum Ltd., ID no.515861656, address: Hanevi’im 45, Jerusalem 9514103

Name of Mortgagor: B. Kima Investments Ltd., ID no. 514921246, address: HaRishonim 31, Migdal HaEmek 2303647

(hereinafter, singly and collectively: “**the Mortgagor”**)

**1. The Encumbered Assets**

 All entitlements of the Mortgagor under the agreements presented in detail below, all of which in connection with the property known as part of Parcel 6 in Block 10842 or a Plot 1b/59, 3,712 square meters in area, under Program HP/1350 on Palyam Street in Haifa (hereinafter: **“the Property”**):

1. A sale agreement signed between Bezeq The Israeli Telecommunications Corp., Ltd. (hereinafter: **“the Owner”**) and B. Kima Investments Ltd., and Aggadim Engineering and Construction, Ltd., on July 24, 2017.
2. An addendum to a sale agreement signed between the Owner and B. Kima Investments Ltd. and Aggadim Engineering and Construction, Ltd., on July 24, 2017.
3. A settlement signed in favor of the Owner by B. Kima Investments Ltd. and Aggadim Engineering and Construction, Ltd., on September 17, 2017.
4. An agreement signed between Haifa Museum D.R. Limited, Shenhav R. Haifa Museum Ltd., Shenhav S. Haifa Museum Ltd., and B. Kima Investments Ltd. on July 10, 2018.
5. A joint transaction agreement signed between Haifa Museum D.R. Limited, Shenhav R. Haifa Museum Ltd., Shenhav S. Haifa Museum Ltd., and B. Kima Investments Ltd. on July 10, 2018.
6. A sale agreement signed between Aggadim Engineering and Construction, Ltd., and Shenhav R. Haifa Museum Ltd. and Shenhav S. Haifa Museum Ltd. on February 11, 2019.
7. An addendum to the agreements (sale and joint transaction) of July 10, 2018, signed between Haifa Museum D.R. Limited, Shenhav R. Haifa Museum Ltd., Shenhav S. Haifa Museum Ltd., and B. Kima Investments Ltd. on February 20, 2019.
8. A letter of undertaking in favor of the Owner, signed by the Mortgagor on June 3, 2020.

(hereinafter, singly and collectively: **“the Agreement”**) and also his right to receive funds from the Owner in the event of abrogation of the Agreement.

**2. Undertakings of the Mortgagor**

 The Mortgagor hereby undertakes, in addition to and without derogating from the provisions of the Promissory Note (hereinafter: **“the Encumbrance Document”**):

1. to record in favor of the Bank a first mortgage on the Property immediately upon the removal of any impediment to recording his rights in the Property with the Property Registration Bureau, in accordance with the phrasing of a Writ of Mortgage that shall be presented to him by the Bank (hereinafter: **“the Mortgage”**) The Mortgage shall include, inter alia*,* the provisions set forth in Sections 4–5 below.
2. Given that the Mortgagor’s rights in the Property under the Agreement have not yet been recorded in the land records at the Land Registration Bureau, the Mortgagor shall present the Bank, upon the signing of this Writ, with certification from and the consent of the Owner to encumbering the rights in the Property and the Owner’s undertaking not to transfer the rights in the Property to the Mortgagor or to others in any manner whatsoever unless, on the same occasion, the Mortgage shall be registered in favor of the Bank, in such phrasing and under such terms as the Bank shall find satisfactory.
3. to advise the Bank at once and in writing of any case of negotiations with the Owner concerning the revision or replacement of the Agreement (hereinafter: **“the New Agreement”**), to refrain from assenting to any revision whatsoever of the terms of the Agreement without the prior written consent of the Bank, to present the Bank with the New Agreement as soon as it is signed, and to sign any agreement that the Bank shall require for the assurance of its rights in connection with the Property, including an additional Promissory Note or Writ of Pledge.
4. Nullified.
5. To present the Bank, upon the signing of the Encumbrance Document, with a notarized power of attorney, phrased as the Bank shall require, entitled “Mem-Shin33” and duly signed by him, according to which, inter alia*,* the Mortgagor empowers the Bank or its agent to take any reasonable requisite action to record the Property in the name of the Mortgagor as an owner, a lessor, a renter, or the holder of some other right of whatever kind in the Property, or to record the Mortgage in favor of the Bank. The Bank shall make use of said power of attorney in accordance with and subject to the provisions of the Encumbrance Document and his rights to act on the basis thereof.
6. To convey to the Bank, immediately after it is received, a copy of any letter from the Owner that expresses a demand or a claim to payment, the honoring of an undertaking in accordance with the Agreement, or a warning of any kind concerning the Property.
7. To pay in timely fashion, under any law and under the terms of the Agreement, any sums owed or to be owed by the Mortgagor to the Owner and to make any payment that is or shall be required, in the judgment of the Bank, for dividing or unifying the Property and for recording the Property in the name of the Mortgagor.
8. The Mortgagor undertakes with respect to the Property to uphold and also, insofar as it within his control, to assure the upholding of any law, regulatory directive, or instruction from any authority, and of any permit and license associated with environmental protection, public health, safety, hazardous materials, and environmental pollution. The Mortgagor shall indemnify and compensate the Bank for any damage that the Bank shall sustain; for any claim or demand in connection with risks relating to environmental protection and public health in connection with the Property, and for reasonable expenses that the Bank shall incur or be asked to pay (including attorneys’ fees and fees of experts whom the Bank shall employ) in connection therewith.
9. The Mortgagor hereby waives any conflicting claim or other to possession of the Property and shall not oppose any application for an order of eviction from the Property that the Bank may submit against him.
10. To eliminate any doubt, the provisions of Sections 4 and 5 below shall also apply to the Mortgage that shall be recorded, as they shall apply to the pledging of contractual rights.

**3. Entitlements of the Bank**

a. The Bank is entitled, provided it serve the Mortgagor with fifteen days’ prior notice, except in cases where failure to make payment immediately may inflict material damage on the Bank, to pay at the Mortgagor’s expense any of the payments set forth in Section h above that the Mortgagor failed to pay in a timely fashion, and the Mortgagor undertakes to reimburse the Bank for any sum paid out as aforesaid, plus expenses incurred by the Bank in connection therewith. In the case that the Mortgagor fails to clear the sums paid out by the Bank as stated above, this shall be considered a breach of a principal term of the Encumbrance Document on the part of the Mortgagor.

b. The Bank may contract with any person or corporation whatsoever for the purpose of sustaining the Agreement, keeping it in full effect, and assuring that it be honored (in such a case that breach or nonperformance of terms by the Mortgagor or others may cause the Agreement to be abrogated). The Mortgagor hereby appoints the Bank as its agent for any reasonable action that needs to be taken in regard thereto and the Bank may, among its other powers, sign any document whatsoever for this purpose, all of which at its discretion.

**4. Waiver of the Mortgagor’s Legal Rights concerning Tenant Protection and Alternative Accommodations**

 The Mortgagor hereby agrees and affirms, explicitly and irrevocably, that in the case of exercise of the Bank’s rights in accordance with the Encumbrance Document, the Writ of Mortgage, or any law, the Mortgagor shall be responsible for the immediate evacuation of the Property and for having it transferred to the Bank and/or to another acting on its behalf, totally clear of any person and object. The Mortgagor agrees to waive all protections that the law affords him, members of his family, and any other person and object, in the event that they are asked to vacate the Property, including protected tenant rights, rights of use, rights of possession, and rights to an alternative arrangement, all of which insofar as the law allows the Mortgagor to waive them.

 In addition, if the Mortgagor and/or any member of his family who is living with him shall be entitled to an alternative arrangement under Section 38 of the Bailiff’s Service Law, 5727-1967, the Mortgagor agrees that said entitlement of theirs shall be held to the maximum limitations to which he may assent by law, as specified below.

 Without derogating from the generality of the foregoing, the Mortgagor agrees that this waiver of his and/or his assent to limiting the protection that the law affords him shall apply to the protections under the laws specified below and/or any other law and/or provisions of any law that shall correct and/or replace them, and/or come in addition to them, as detailed below:

1. The Mortgagor explicitly and irrevocably waives all protection whatsoever under Section 33 of the Tenant Protection [Consolidated Version] Law, 5732-1972, which establishes, inter alia*,* that a property owner or a perpetual lessor who holds a property, or one of the owners or perpetual lessors of a property, where his right to the property lapses due to its sale in a Bailiff’s Service proceeding by court ruling pursuant to a mortgage, a bankruptcy, or the division of the property under the law pertaining to said division, a land settlement, or the division of the Property by registration in the Register of Condominiums as set forth in Section 42 of the Property Law, 5729-1969, shall become a tenant of the new owner or the new perpetual lessor of the property.
2. The Mortgagor is aware, and so affirms, that in the cases specified above, the Mortgagor, members of his family, and anyone dwelling with him on the Property shall not be entitled to the aforementioned protections, may not continue to possess the Property, and will have to evacuate the Property summarily and transfer it to the Bank or to another party acting on its behalf, clear of any person and object.
3. The Mortgagor explicitly and irrevocably waives any protection under Section 39 of the Bailiff’s Service Law, 5727-1967, which states that if the mortgaged land is farmland or a right to farmland and it serves as the Mortgagor’s source of livelihood, then, upon the exercise of a mortgage or the liquidation of a pledge, the Registrar of the Bailiff’s Service is entitled to instruct that land needed for the Mortgagor’s livelihood and that of members of his family who live with him shall remain in the Mortgagor’s possession.
4. The Mortgagor is aware, and so affirms, that in the cases specified above, the Mortgagor and family members who live with him shall not be entitled to the aforementioned protections, shall not be able to continue possessing the Property, and shall immediately vacate the Property in its entirety and transfer it to the Bank and/or to another party acting on its behalf, and this, without any liability whatsoever being imposed on the Bank and/or to another party acting on its behalf, including leaving enough property in the Mortgagor’s possession to provide a livelihood for him and for family members living with him.
5. The Mortgagor explicitly and irrevocably agrees to limit any protection afforded him under Section 8 of the Bailiff’s Service Law, 5727-1967, as follows:
6. The Mortgagor is aware, and it has been explained to him, that under the provisions of this Law, in the case of attachment or exercise of the Mortgage of the Property, or the liquidation of a pledge that pertains to rights in the Property, if the Property, in full or in part, serves the Mortgagor as a residential dwelling, the Registrar of the Bailiff’s Service shall not be entitled to have the Property sold and the Mortgagor evicted along with members of his family who live with him in the Property unless it is proved to his satisfaction that the Mortgagor and family members living with him will have a reasonable place to live, that the Mortgagor and family members living with him have the wherewithal to pay for reasonable accommodations, or that they were offered an alternative arrangement. The Registrar of the Bailiff’s Service may determine that said alternative arrangement shall manifest in procuring another dwelling, paying compensation, or invoking some other method.
7. The Mortgagor agrees that if the Registrar of the Bailiff’s Service determines that the Mortgagor and/or family members living with him are entitled to an alternative arrangement by force of this section of the Law, the extent of said alternative arrangement shall not be in accordance with the foregoing and shall be limited in the following way:

 In the case of liquidation of a pledge issued for rights in the Property or of the Mortgage that was created on account of the Property, if the Registrar of the Bailiff’s Service decides that the Mortgagor and members of his family living with him should be offered an alternative arrangement, the value of said alternative arrangement shall be in a sum that will allow the Mortgagor to rent accommodations in his area of residence that will suit his needs and those of family members living with him for a term that shall not exceed eighteen months. However, the Registrar of the Bailiff’s Service shall be entitled to make available to the Mortgagor and family members who live with him an alternative arrangement for a longer term than the aforesaid term if, in his judgment, special circumstances that justify this are present.

1. The Mortgagor knows, and so affirms, that the Minister of Justice, per approval of the Law and Justice Committee of the Knesset, is entitled to issue directives in this matter, inter alia, concerning the fitness of a dwelling for the needs of a Borrower and family members living with him, and concerning the manner and timing of payments for the alternative arrangement. These directives, if and insofar as they are issued, shall also apply to the Mortgagor.
2. The limitations to the Mortgagor’s protections set forth in Subsection c above shall also apply in any case of liquidation of the Bank’s entitlements under the Writ of Pledge or the Writ of Mortgage, including such that are part of default proceedings under the Default and Economic Rehabilitation Law, 5718-2018 (hereinafter: “The Default Law”). In any case where the Registrar of the Bailiff’s Service, or the competent Court of Law, or the Superintendent of default and economic rehabilitation proceedings under the Default Law, or any other judicial authority decides that the Mortgagor and family members living with him should be offered an alternative arrangement.
3. The Mortgagor agrees that he shall not be entitled to any alternative accommodations or other alternative arrangement beyond the foregoing and that he, his family, and anyone else who holds the Property shall vacate the Property, including any object present there, immediately and unconditionally, and shall transfer it to the Bank and/or to another party acting on its behalf.
4. Within this generality, the Mortgagor explicitly and irrevocably waives the protection afforded by Section 86a of the Bankruptcy [Revised Version] Law, 5740-1980, according to which if the Mortgagor declares bankruptcy and all or part of the Property serves as his residence, that of his spouse, or that of family members living with him, the Court of Law may instruct that the Property shall not be sold unless it is proved first, to its satisfaction, that the Mortgagor, his spouse, and family members living with him will have reasonable accommodations or have been offered an alternative arrangement. The Mortgagor’s waiver of protection under this section of the Law includes his waiver of the entitlement to have the Court determine that the alternative arrangement shall manifest in procuring another dwelling, paying compensation, or invoking some other method.

**General Provisions**

5. The Bank may, at its discretion, take any action in the name of the Mortgagor that is incumbent upon the Mortgagor in accordance with any law or agreement or this Writ that pertain to the Encumbered Assets, and this, so that the Agreement and the encumbrance of the Encumbered Assets may be placed fully in effect.

6. This Writ and the Encumbrance Document shall be mutually complementary and shall be construed as mutually additive. In any case of contradiction or mismatch between the terms and provisions of this Writ and those of the Encumbrance Document, in any of the matters discussed in this Writ, the terms of this Writ, as concluded between us and the Bank, shall prevail unless explicitly stated otherwise.

7. The terms in this Writ shall carry the meanings assigned to them in the Encumbrance Document unless stated explicitly otherwise.

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

|  |  |  |
| --- | --- | --- |
| Name of Mortgagor 1Haifa 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 2Shenhav 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 3Shenhav 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 4B. 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:~~ |

\* This form shall be attached to the Writ of Pledge or the Promissory Note, as the case may be, as an integral part thereof.

\*\* Delete where inapplicable.

\*\*\* Delete this section when the Agreement is signed between the Mortgagor and the Israel Lands Administration.