

UNPROTECTED TENANCY AGREEMENT

Signed and dated on _____

Between _____ I.D. Number _____

Address _____

(Hereinafter "the landlord") **for the first part**

and between _____ I.D. Number _____

Address _____

(Hereinafter "the tenant") **for the second part**

Whereas The landlord is the owner and/or exclusive possessor of an apartment containing ____ bedrooms, a kitchen and bathroom, situated at the following address _____ (hereinafter "the property").

And whereas The landlord wishes to let the property to the tenant by an unprotected tenancy agreement, and the and tenant wishes to rent the property from the landlord by an unprotected tenancy agreement for the period of time and at the conditions detailed hereunder in this agreement;

And whereas The parties wish to define and set out their relationship, their rights and mutual obligations, in accordance with that stated hereunder in this agreement;

1. Preamble and headings

1.1 The preamble to this agreement and its appendices constitutes an integral part of the same.

1.2 The clause headings are solely for convenience purposes and are not to be used for interpretation of the contract.

2. The tenancy

The landlord hereby leases the property to the tenant and the tenant hereby rents the property from the landlord solely for the purpose of residential dwellings, subject to that stated in the directives of this agreement.

3. The condition of the property

The tenant warrants that he has seen, examined and checked the property and found it to be in a satisfactory and proper condition which suits his aims and he hereby waives any allegation of any type or kind relating to the property, including any allegation in respect of any defect, impairment or incompatibility other than latent defects or flaws.

4. Non-applicability of the Tenant Protection Act

4.1 The directives of the Tenant Protection Act (Combined Version) – 1972 (hereinafter "the Tenant Protection Act") and its amendments which are or will be effective and any other law or regulation relating to the protection of tenants, including any law or regulation enacted in accordance with the Tenant Protection Act or by virtue thereof will not apply to the property and/or to the lease of the property by the tenant in accordance with this agreement. Furthermore, the tenant is not and will not be a protected tenant and will not be entitled to any right arising from the aforementioned laws.

4.2 Without derogating from the generality of the aforementioned, the tenant hereby declares that he has not paid and will not pay any ground rent to the landlord for the lease of the property and that any works, alterations or betterments which are undertaken in the property, if undertaken, are not and will not constitute fundamental alterations to the property and will not grant any protected tenancy rights of any type to the contractors and/or tenant.

4.3 Upon vacating the property, the tenant will not be entitled to any payment or other consideration either as ground rent or in any other manner.

5. The tenancy period and the option period

- 5.1 The landlord hereby leases the property to the tenant being free of any person, for a period of ____ months commencing on _____ (hereinafter "the hand-over date") until _____ (hereinafter "the lease period").
- 5.2 The tenant is hereby granted an option to extend the lease period by a further ____ months, from _____ until _____ (hereinafter "the option period"), subject to the tenant notifying the landlord of his desire to exercise the option, by prior notification of ____ days (hereinafter "the prior notification"). The remaining directives of this agreement will apply to the option period, with the necessary amendments.
- 5.3 Notwithstanding that stated in this clause, the tenant will be entitled to end the tenancy period prior to its expiry, subject to the tenant proposing an alternative tenant which is acceptable to the landlord and who will undertake to comply with all of the tenant's obligations in accordance with this agreement for the unexpired tenancy period or the unexpired option period, as applicable. The landlord will not unreasonably withhold his agreement to accept the alternative tenant.

In the event that the tenant leaves and/or abandons the property prior to the end of the tenancy period, due to any reason other than due to an act and/or omission of the landlord which deviates from the directives of this agreement or any law, the tenant will be obliged to pay all amounts due in accordance with this agreement for the entire unexpired tenancy period, subject to the landlord acting reasonably in order to minimise his losses.

6. Rent

6.1 The tenant will pay rent to the landlord as follows:

- 6.1.1 The tenant will pay rent to the landlord for the entire tenancy period, in the sum of NIS _____ per month.
- 6.1.2 The tenant will pay monthly rent to the landlord for the option period, in the sum of NIS _____ per month.
- 6.1.3 The rent will be paid by the tenant to the landlord, for each month of rental in advance, on the 1st of each month.
- 6.1.4 In order to ease the collection process, the tenant will deposit _____ post-dated cheques with the landlord to cover the rent for the period of _____ consecutive months. The aforementioned payments will be considered to be a deposit and will be construed to have been paid solely after the cheques have cleared.

7. Taxes and other payments

- 7.1 During the entire tenancy period or option period, as applicable, the tenant will make all payments for which he is liable in accordance with this agreement as well all other payments, fees, levies, municipal taxes, taxes and governmental and/or municipal and/or other statutory payments of any type for which the tenant is or will be liable and/or which relate to the property in connection with the occupation and/or use of the property including and without derogating from the generality of the aforementioned – water, electricity, telephone, gas, municipal taxes, house committee charges, service charges and/or any other expense relating to the use of the property and/or its operation and/or occupation.
- The tenant undertakes to notify all relevant bodies and/or authorities of the occupation date of the property by the tenant and to transfer the bills in respect of the water and/or telephone and/or electricity and/or municipal taxes and/or other bills for which the tenant is responsible into his name up until the end of the tenancy period or option period, as applicable.
- 7.2 The tenant undertakes to submit the receipts and certificates to the landlord at the end of the tenancy period or at any other reasonable time at the request of the landlord, proving the payment of all of the bills for which the tenant is liable in accordance with the conditions of this agreement.
- 7.3 In the event that the tenant does not make any payment for which he is liable in accordance with this agreement, the landlord will be permitted, without prejudice to any of the landlord's rights, to make payment on behalf of the tenant and in such a case the tenant will be liable to reimburse the landlord for the payment amount plus arrears interest at the conventional unauthorised overdraft rate charged by Bank _____ in current loan accounts, provided that the landlord has notified the tenant at least five days in advance and provided that the tenant does not rectify the breach within this prior notification period.
- 7.4 The landlord undertakes to pay all fees and/or taxes and/or levies as aforementioned for which the landlord and/or long-term lessee of the property is liable.

8. Use of the property

- 8.1 The tenant undertakes to maintain the cleanliness of the property and its vicinity, to use the property solely for residential purposes, to exercise due caution and to refrain from causing any nuisance, odour, dirt, smoke or any other discomfort to the neighbours and to refrain from causing any noise which is inappropriate in a quite residential area during the day and at night.
- 8.2 The tenant will be liable for damage of any type which is sustained by the landlord and/or caused to the property or to any third party during the tenancy period which arises from the use of the property by the tenant, his guests and/or representatives. The tenant undertakes to indemnify and compensate the landlord immediately on first demand in respect of any damages or expenses as aforementioned which are caused to the property or for which the landlord is liable to a third party.
- 8.3 The tenant will enable the landlord and/or his representative to enter the property at reasonable times, by prior appointment with the tenant in order to examine the condition of the property and/or in order to show it to third parties.

9. Alterations and adjustments to the property

The tenant will not be permitted to carry out any alterations or adjustments to the property, including additional construction, any types of alterations to the walls, flooring, electrical, water and plumbing systems, other than with the prior written authorisation of the landlord.

Without derogating from the generality of that stated above, in any case in which the tenant carries out any alteration and/or refurbishment and/or extension to the property without having received the prior written authorisation of the landlord, the landlord will be entitled to demand the tenant remove the alteration and restore the property to its previous condition. In such a case the tenant undertakes to act accordingly at his expenses immediately on receipt of the aforementioned demand or alternatively, at the sole discretion of the landlord, to leave the alteration in place and at the expiry of the lease period, whether due to the expiry of the entire period or whether due to the cancellation of the agreement, the alteration will become the sole and complete property of the landlord and will be considered to be a part of the property, without the tenant having the right to demand and/or receive any payment and/or compensation from the

landlord for the alteration. Nothing contained in this clause derogates from any right of the landlord in accordance with this agreement or in accordance with any law.

10. Repairs to the property

The tenant undertakes to notify the landlord of any damage, defect or breakdown caused to the property, immediately on discovery. Without derogating from the aforementioned the tenant undertakes to conduct the repairs within a reasonable period of time at his expenses and to notify the landlord of the repairs of any damage, defect or breakdown to the property during the tenancy period and/or the option period, as applicable, other than any damage, defect or breakdown which arises from normal wear and tear due to the reasonable use of the property.

The landlord undertakes to repair any defect or breakdown at his expense caused to the property as a result of normal wear and tear due to the reasonable use of the property, within a reasonable period of time after having been notified in writing by the tenant of such defect or breakdown.

Notwithstanding the aforementioned, it is hereby clarified that the landlord will not be liable for the repair of any defect and/or breakdown to the movable items detailed in Appendix A to this agreement unless and insofar as agreed otherwise in writing in the aforementioned Appendix. If any party to this agreement does not perform a repair that he is liable to perform in accordance with this agreement, the other party may (however is not liable) - without derogating from any right to which he is entitled in accordance with this agreement and/or in accordance with legal directives - perform the repair on account of the other party provided that written notification of the demand to perform the repair as aforementioned is submitted and if the other party does not perform the repair within the timetable stated in the demand. In such a case, the party liable for performing the repair will reimburse any reasonable amount incurred and/or paid for the performance of such repairs, plus interested at the conventional unauthorised overdraft rate charged by Bank _____ in current loan accounts.

11. Buildings insurance for the property

The landlord undertakes to arrange and maintain buildings insurance covering the property for the period of this agreement at his expense.

12. Assignment of the agreement

- 12.1 Without derogating from the directives of clause 5.3 above, the tenant will not be entitled to wholly or partly transfer, assign, donate or mortgage his rights in accordance with this agreement to any other party without the written consent of the landlord. Similarly, the tenant will not be entitled to let the property or part thereof by a sub-lease or other agreement or permit any other individual to use the property or part thereof, whether for payment or otherwise, without the prior written authorisation of the landlord.
- 12.2 The landlord will be entitled to wholly or partially transfer the rights in the property to another party, including the rights of the landlord in accordance with this agreement, without the need for the tenant's agreement, provided that the rights of the tenant in accordance with this agreement are not prejudiced. The tenant undertakes to sign any document required, if required, in connection with the transfer of the landlord's rights in the property.

13. Cancellation of the agreement

Without reservation and/or prejudice to any right and/or remedy of the parties in connection with the breach of the conditions of this agreement by the other party (including legal suits, damages, losses and expenses), any of the parties is entitled to cancel this agreement due to a non-fundamental breach of the conditions of this agreement by the other party, provided that written notification of the same is submitted to the other party at least 20 days in advance and if the breach has not been rectified within the aforementioned period. Furthermore, each side is entitled to cancel this agreement in any case in which the other party commits a fundamental breach of this agreement provided that written notification of the same is submitted to the other party at least 7 days in advance and if the breach has not been rectified within the aforementioned period.

14. Expiry of the tenancy period and evacuation of the property

- 14.1 The tenant undertakes to vacate the vacate the property immediate at the expiry of the tenancy period or the option period, as applicable, or if the landlord demands that the property is vacated in accordance with clause 11 above within 7 days of receipt of the landlord's notification, to return the property to the landlord free of any person or article in a satisfactory and proper condition that prevailed on the hand-over date of the property.
- 14.2 If the tenant does not vacate the property as stated in clause 14.1 above and without derogating from any right to which the landlord is entitled in accordance with this agreement or in accordance with legal directives, the tenant will pay pre-agreed usage fees in the sum of NIS _____ for each day of delay. It is agreed between the parties that this amount constitutes commensurate and reasonable compensation for the landlord's anticipated losses due to the non-timely evacuation of the property and the tenant hereby waives any allegation in connection with the aforementioned compensation or its amount.

15. Securities

15.1 In order to secure the tenant's undertakings in accordance with this agreement, including and without derogating from the other undertakings of the tenant including the timely evacuation of the property, payment for any damage caused to the property, payment of the rent and the bills for which the tenant is liable in accordance with this agreement, the tenant will deposit the following securities with the landlord upon the signing of this agreement:

15.1.1 An undated promissory note signed by two guarantors in the sum of NIS _____ in accordance with the wording attached to this agreement (hereinafter "the promissory note").

The landlord will be entitled to fill in a payment date and utilise the same to redeem the tenant's debts in accordance with this agreement and the tenant will be required to supply a replacement promissory note to the landlord as a condition for the continuation of the validity of this agreement. For the sake of avoidance of any doubt it is hereby clarified that the use of the promissory note will not derogate from any relief and/or remedy and/or right to which the landlord is entitled in accordance with this agreement and/or in accordance with any law.

15.1.2 A surety in accordance with the wording attached to this agreement (hereinafter "the surety").

15.1.3 A cheque in the sum of NIS _____ which will be used as security for the payment of the taxes and other bills as detailed in clause 7 above. The landlord will be entitled to fill in a payment date and utilise the same to pay the taxes and bills as aforementioned, and the tenant will be required to supply a replacement to the landlord as a condition for the continuation of the validity of this agreement (hereinafter: "the cheque").

15.2 The promissory note, the surety and the cheque will be held by the landlord and returned to the tenant by the landlord in the event that they are not used, 60 days after the date on which the tenant legally evacuates the property, subject to the tenant complying with all of his duties to the landlord in accordance with the agreement, including the tenant's obligation to supply receipts and/or certifications relating to the payment of all taxes and/or other bills for which the tenant is liable in accordance with this agreement.

16. Compensation

Any party in breach of this agreement will be liable to compensate the other party for any loss or expense of any type which is caused to the other party due to such a breach and this will not derogate from the rights of the same party to any other relief in accordance with the law or in accordance with this agreement.

17. Miscellaneous

- 17.1 No alteration to the conditions of this contract will be valid unless made in writing and signed by both parties.
- 17.2 A breach of clauses 5, 6, 7 or 8 above constitutes a fundamental breach of this contract.
- 17.3 The addresses of the parties for the purpose of this contract are those stated in the preamble to the contract. Following the signing of this contract and during the entire period of this contract, the address of the tenant will be the address of the property.
- 17.4 Any notification sent by one party to the other to the aforementioned address will be construed to have reached its destination 72 hours after it has been sent by recorded delivery; any notification sent by one party to the other via facsimile or via e-mail in accordance with the aforementioned details will be construed to have reached its destination on the business day following the date stated on the transmission report.

And in witness hereof the parties are hereby undersigned:

The landlord

The tenant