

**ISRAEL LANDS AUTHORITY
SOUTHERN DISTRICT**

MINISTRY OF TOURISM

DSPG- DEAD SEA PRESERVATION GOVERNMENT COMPANY LTD

**INVITATION FOR BIDS FOR LONG LEASE OF 4 SITES FOR HOTELS AND
VACATION (TOTAL 1,005 HOTEL ACCOMMODATION UNITS INCLUDING GREEN
BUILDING INCENTIVE) AT THE DEAD SEA – TAMAR REGIONAL COUNCIL**

<u>Town:</u>	Tamar Regional Council
<u>Bids for acquisition of rights:</u>	Long lease
<u>Zoning:</u>	Hotels and vacation
<u>Tender timetable:</u>	Last date for submitting bids: 28/10/2019



TENDER NO. 41/2019/BS

* בכל מקרה של סתירה בין מסמכי המכרז בשפה העברית ובין גרסתם בשפה זרה, יחייבו מסמכי המכרז בשפה העברית. לא יהא בכל פרסום מסמך מתורגם מטעם המזמינה כאמור כדי לגרוע מחובת המציעים לתרגם בעצמם את מסמכי המכרז ולא תשמע כל טענה מפי המציעים בדבר איכות התרגום או שגיאות שנפלו במסמכים.

**INVITATION FOR BIDS FOR LONG LEASE OF 4 SITES FOR HOTELS AND
VACATION (TOTAL 1,005 HOTEL ACCOMMODATION UNITS INCLUDING GREEN
BUILDING INCENTIVE) AT THE DEAD SEA – TAMAR REGIONAL COUNCIL**

Contents of the tender clauses:

1. Details of the plots
2. Planning and physical aspect
3. Course of the tender
4. Additional terms
5. Payments
6. Submission of bids, last date for submitting a bid, bid period
7. Deposit of guarantees
8. Choosing the tender winner
9. Conditions for contracting with the winner
10. Breach and relief
11. Change in the terms of the tender, extension of dates, cancellation of the tender
12. Conditions for declaration of a second bidder as the tender winner

<u>Appendices</u>	<u>Appendix A</u>	Bid form
	<u>Appendix B1</u>	Text of development contract
	<u>Appendix B2</u>	Text of long lease contract
	<u>Appendix C</u>	Israel Lands Law, 5720-1960
	<u>Appendix D</u>	Text of bid performance guarantee (bid guarantee)
	<u>Appendix D1</u>	Israel Lands Council decision 1116 regarding registration refusers, text of guarantee to secure registration
	<u>Appendix E1</u>	Text of infrastructure execution agreement to be signed with DSPG – Dead Sea Preservation Government Company Ltd, for Sites 2,3,4, Plots 103, 104, 114.
	<u>Appendix E2</u>	Text of infrastructure contract to be signed with DSPG – Dead Sea Preservation Government Company Ltd, for Site 1, Plots 102 + 151

<u>Appendix F1</u>	Letter from DSPG to ILA concerning signature of infrastructure agreement
<u>Appendix F2</u>	Letter from DSPG to ILA concerning signature of long lease agreement
<u>Appendix G</u>	Charges and levies letter
<u>Appendix H</u>	Plan regulations and plot blueprint
<u>Appendix I</u>	Ministry of Tourism appendices

INVITATION FOR BIDS

Israel Lands Authority (hereinafter: "**the Authority**" or "**ILA**") hereby invites bids for signature of a development contract for a period of 72 months, following which a long lease contract will be signed for 49 years with a option for a further period of 49 years on terms customary at the Authority on the date of the renewal (hereinafter: "**the contract**") for the areas whose details on the date of publication of the tender are as stated in Clause 1 (hereinafter: **either "plot" or "plots" or "site" or "sites"**):

1. Details of the plots

Site No	Plot no.	Approx . area in m ²	No. of hotel accommodation units (including green building incentive)	Zoning of plots	Minimum price in NIS for development expenses to DSPG (including VAT)	Fixed price for the land to ILA in NIS (excluding VAT)	Bid performance guarantee amount
1	102, 151	71,701	330 (of which 30 green building incentive accommodation units)	Hotels (on the water), tourist attraction (on the water), 50% of the building rights shall be used for spa services)	13,756,638	8,247,842	4,792,000
2	103	43,648	198 (of which 18 green building incentive accommodation units)	Hotels	2,390,840	3,818,614	1,195,000
3	104	48,360	253 (of which 23 green building incentive accommo-	Hotels	3,054,963	4,769,588	1,527,000

Site No	Plot no.	Approx . area in m ²	No. of hotel accommodation units (including green building incentive)	Zoning of plots	Minimum price in NIS for development expenses to DSPG (including VAT)	Fixed price for the land to ILA in NIS (excluding VAT)	Bid performance guarantee amount
			dation units)				
4	114	15,156	220 (of which 20 green building incentive accommodation units)	Hotels	1,970,055	2,995,159	985,000

Bids below the minimum price will not be accepted.

Site No. 1 is situated in Block 39178 Parcel 1 (in part).

Sites No. 2-3 are situated in Block 100145 Parcels 2, 5, 15 (in part).

Site No. 4 is situated in Block 39176 Parcel 1 (in part) and in Block 100146 Parcels 5, 7 (in part).

The right to participate in the tender is for those recommended by the Ministry of Tourism (hereinafter: "the Ministry") only, as follows:

1. A bidder who wishes to participate in the tender is required to receive the Ministry of Tourism's approval of his participation in the tender, in accordance with the provisions of Appendix H-1 "Guidelines for receiving the Ministry of Tourism's recommendation for participation in tender" to Appendix I to the tender booklet.
2. The application to receive the Ministry of Tourism's recommendation must be submitted to Mr Avishai Bar Osher, Director of the Economics, Investment and Budget Department at the Ministry of Tourism, 5 Bank of Israel St., Jerusalem, tel. 02-6664385/90, by 27/6/2019 at 12:00 noon.
3. Approval from the Ministry in the form of Appendix H-3 to Appendix I to the tender booklet- "Ministry of Tourism's recommendation of developer's participation in tender" shall be attached as an integral part of the bid documents which are submitted for the tender. The Ministry of Tourism's recommendation shall be given by 5/9/2019. This recommendation shall be attached to the bid which is submitted for the tender. A bid which is submitted without the Ministry of Tourism's recommendation shall be disqualified.

2. Planning and physical aspect

2.1.Planning provisions and building rights

2.1.1. A plan, as defined in the Planning and Building Law, 5725-1965, applies to the plots which are the subject of the tender. The plan is in force on the date of publication of the tender and its provisions and appendices are an integral part of this tender.

Town Plan 656-0254458 (hereinafter "**plan**" or "**Town Plan**") **applies to the plots.**

The zoning of the plots is: Plot 102 – hotels on the water

Plot 151 – tourist attraction on the water

Plots 103-103, 114- hotels

- **The Plan regulations and plot blueprint are attached as Appendix H to the tender booklet.**

The bidder is aware that planning and construction of a hotel on the plot which is the subject of this tender shall be in accordance with the Ministry of Tourism's physical standards for planning and classification of tourist accommodation facilities as stated in Appendix I.

Without derogating from the aforesaid, the bidder is aware that he is required to submit a building permit application for advance approval by the Ministry of Tourism, as stated in Appendix H-5 to Appendix I. The Ministry's certificate of approval shall be exhibited to the Authority at the time of submitting the building permit application. The text of the certificate of approval is attached as Appendix H-6 to Appendix I.

It is clarified that the Ministry of Tourism's approval shall not bind the Authority, which may approve or reject the building permit application, in the Authority's discretion and in accordance with the decisions of the Israel Lands Council and the Authority's procedures.

The bidder is aware that the Ministry of Tourism's grant of approval for the purpose of the Authority's signature of a building permit shall be conditional, inter alia, on fulfillment of all the winner's undertakings in all the terms of the tender, including the terms of the development contract, and confirmation of his compliance with the requirements and terms of Director-General's Circular 05/2009, which is attached to Appendix I to the tender booklet.

Among the other conditions for signature of the development contract with the Authority, the tender winner shall be required to provide the Authority with a certificate from the Ministry that he has complied with all the Ministry's requirements, and that the Ministry does not object to the Authority's signature of the development contract. The text of the certificate is attached as Appendix H-4 to Appendix I.

On plots on which "special hotel accommodation" units can be built, the bidder is aware that if he submits a building permit including construction of "special hotel accommodation" units, every hotel, without exception, shall be defined as a hotel of this class, and the bidder shall not be entitled to any investment grants from the Ministry of Tourism.

Construction of "special hotel accommodation" units shall be subject to the provisions of TAMA 1/12, the provisions of the Town Plan and the Ministry of Tourism's guidelines set out in Ministry of Tourism Director-General's Circular 05/2009, as amended, which is attached to Appendix I to the tender documents. The "special hotel accommodation" units, their number, and the possibility of selling them shall be subject to the provisions of the applicable plans (including TAMA 1/12) and the Ministry of Tourism guidelines.

The bidder is aware that he is required to comply with all the Ministry of Tourism's terms and conditions as stated in Appendix I.

The bidder hereby confirms that he has seen and examined the plans and all their documents and appendices and all the material accompanying them located at the Planning Administration site, including an opinion on the feasibility of an engineering solution for construction and establishment of proposed hotels in the area of water-pool 5, in connection with Site 1, Plots 102+151, and that the provisions and stipulations of the plans and their documents and appendices and all the material accompanying them, including the aforesaid opinion, are the guiding ones with regard to the permitted planning data on the sites which are the subject of this tender.

- 2.1.2. The building rights, including land to building ratio, construction area, density and all the provisions and conditions required in order to receive a building permit are in accordance with the plans which apply to the land which is the subject of the tender, and in accordance with any law, and in accordance with the instructions which shall be given by the local authority and/or the competent planning committees.

In any case where it is not possible to exercise the maximum building rights defined in the plan, whether due to the restrictions of the plan or due to instructions which shall be given by the local authority or the competent planning committees and/or the terms of the tender booklet and its appendices, the restrictive provisions shall apply and the bidder for the tender shall not bring any claim and/or demand and/or action against the Authority in this regard.

- 2.1.3. For improvement applicable until the date of determination of the tender winner, the local authority collects an improvement levy substitute from the Authority by law. Liability for the improvement levy which shall apply, if at all, after determination of the tender winner shall be imposed fully on the winner without the right to a refund from the Authority.
- 2.1.4. For any change and/or relief in a plan/planning at the bidder's initiative, including authorization which causes (as determined by ILA) an increase in development

expenses, the winner shall bear the additional payment of development expenses to DSPG – Dead Sea Preservation Government Company Ltd, even if the change in the plan/planning does not amount to a change of plan and does not bring about an addition of rights beyond the existing rights.

- 2.1.5 The tender does not include future rights. Any additional utilization of any kind beyond the building capacity permitted by the plan, either of main areas or of service areas, and/or use deviating from the long lease agreements and/or change in the size of the plot for any reason is subject to the advance written approval of ILA and the Ministry.

If additional rights are approved, they shall be subject to additional payment to ILA in accordance with a specific valuation and at the rate customary according to decisions of the Council which are in force at that time, whether the matter concerns additional utilization, relief, change of detailed plan or any other change.

Change of zoning and/or use shall not be permitted except with the advance written consent of the Ministry of Tourism and subject to an additional payment to ILA in accordance with its decisions and procedures.

- 2.1.6 The bidder must himself and/or by means of professionals acting on his behalf examine the full planning information at the local authority and the competent planning authorities, including the documents of the plan which applies to the plot, with its appendices, and/or the provisions of any planned or deposited plan, the information file at the local authority, building rights, boundaries of the plot, bordering areas, building lines, the conditions for issue of a building permit and any planning information and/or other information relevant for the purpose of submitting the bid and performing all the bidder's obligations under the documents and terms of the tender. It is clarified to the bidder that the information presented in the tender is not a binding representation by the Authority. The bidder must conduct independent examinations as stated above, and he shall not bring any claim and/or demand and/or action against the Authority in this regard (including a claim of reliance on the abovementioned information).

2.2 State of the land

- 2.2.1 The bidder declares that he has seen and examined the plot, including the occupied areas, fixtures existing on the plot, the nuisances/findings existing on the plot, including the upper and underground engineering findings/nuisances, the slope of the land, topography, levels, access routes and state of development and the plans applicable to the area, including the plans which have not yet been approved, and that he shall bear all the expenses and costs involved in removal of the occupiers, nuisances, engineering and underground hazards and shall not bring any demand and/or claim and/or action against the Authority on account of the aforesaid.
- 2.2.2 On a plot where there are trees, uprooting them and/or moving them shall be the sole responsibility of the winner, at his expense, by arrangement with the

Authority and/or JNF and/or any other necessary party, in accordance with any law.

2.2.3 Details of findings:

The developer is aware that the following findings exist on the sites which are the subject of this tender:

On Sites 2 and 3, Plots 103, 104 – there is a high voltage line and operational asphalt road. In addition, there are piles of material.

On Site 4 – Plot 114 – an operational pumping facility designated for demolition, a fence built of portable concrete blocks which divides the plot. In addition, the area is used for improvised parking.

It is clarified that in this regard DSPG shall be responsible for removing all the findings and the structure designated for demolition by the end of performance of all the development works in the area. It is emphasized that the electricity line will be dealt with subject to Israel Electric Corporation's performance dates.

It is clarified that the details of the state of the plot, including the nuisances and hazards stated above, are set out to the best of knowledge and the aforesaid is not a list of all the nuisances and/or hazards and/or any other information in connection with the plot. The bidder must examine the actual state of the plot and he shall not bring any claim and/or demand and/or action against the Authority and/or DSPG in this regard, including a claim of reliance.

2.2.4 If the plot has been declared and/or is declared an antiquities site by the Antiquities Authority, the winner shall bear the costs of performing an archaeological survey, supervision, test excavations and rescue excavations on the plot. The scope of the works shall be determined by the Antiquities Authority and in accordance with any law. Without prejudice to the generality of the aforesaid:

2.2.4.1 The scope of the supervision, test excavations, rescue excavations, etc., shall be as determined by the Antiquities Authority under the Antiquities Law, 5738-1978 (hereinafter: "Antiquities Law"), the provisions of the plan and in accordance with any law.

2.2.4.2 The winner undertakes to act in accordance with the Antiquities Law and, inter alia, to perform rescue excavations at the location for the release of the area for construction at his expense, with his financing and at his sole liability.

2.2.4.3 Antiquities within the meaning thereof in the Antiquities Law or in any law concerning antiquities which is in force from time to time and other objects of archaeological value which are discovered at the location of the works are State assets and the winner shall take appropriate precautions to prevent harm to them or unnecessary moving of them by anyone.

2.2.4.4 Immediately after discovery of the object and before moving it from its place, the winner shall inform the government representative, as determined by the Authority, of the discovery and the winner undertakes to comply with the provisions of any law concerning antiquities.

2.2.4.5 The winner hereby undertakes to ensure that all those performing the works on his behalf comply with these provisions.

2.2.4.6 If antiquities are discovered and such discovery may cause delay in performance of the winner's obligations, an extension of the performance period shall be given by the Authority in its sole discretion.

If release of the area from antiquities will delay delivery of the area to the winner, the Authority shall consider the duration of the performance period.

2.2.4.7 Any work performed underground shall require supervision with regard to antiquities, at the winner's expense.

2.2.4.8 The winner declares and undertakes that he does not and shall not have any claims and/or demands and/or actions of any kind, monetary or other, against ILA and/or anyone acting on its behalf, on account of the terms stated above.

2.2.5 The winner shall be responsible for dealing with all the waste from the excavation, including sand, earth, stone, rubble, etc., which is on the plot/s on the date of delivery of the plot to the winner or which was created by the winner or anyone acting on his behalf as a result of development of the plot and/or during construction, in accordance with the provisions of any law, and he shall not bring any monetary or other claim and/or demand and/or action against ILA and/or anyone acting on its behalf. The winner is aware that all the clauses below also apply to his subcontractors.

ILA shall not collect payment from the winner for the aforesaid waste, if any.

2.2.6 The winner must deal with rubble and excavation waste in accordance with the provisions of the law. The winner undertakes not to burn and not to bury any rubble.

2.2.7 The plot is allocated in its present planning, legal and physical state (AS IS). The winner declares that he has seen the plot and its surroundings and has examined it and its state from the physical, planning, legal and engineering aspects in all respects and has found the plot suitable for his requirements and to his full satisfaction, and he hereby waives any claim of any kind with regard to the plot, including a claim of choice on account of defect and/or fault and/or non-conformity.

Notwithstanding the aforesaid, it is hereby clarified that ILA or DSPG or any other key party, including the local authority or development company, shall be permitted, in their sole discretion, to perform excavation and/or filling works on the plot areas before delivering them to the winner. The winner shall not bring any monetary or other claim and/or demand and/or action on account of performance of such works on the plot before receiving it.

3. Course of the tender

3.1. Rules of competition for the tender

- 3.1.1.** Competition for the tender shall be about **the amount of the development expenses which shall be paid to DSPG**, including VAT (hereinafter: "**the offered price**"). It is hereby clarified that in addition to the amount of the bid, the winner will have to pay the price of the land, which is fixed as stated in the table in clause 1.
- 3.1.2.** The offered price for the development expenses shall not be less than the amount specified in the table in clause I (the column headed "minimum price for development expenses in NIS, including VAT") (hereinafter: "**minimum price**"). A bid containing an offered price which is lower than the minimum price shall be disqualified and shall not be counted among the valid bids in this tender.
- The bidder shall not be able to object to the minimum price.
- 3.1.3.** The winner of the tender shall be the bidder who offers the highest offered price for the development expenses, including VAT, after taking into account all the terms stated in this tender booklet, including the fixed price of the land (hereinafter: "**the winner**").
- 3.1.4.** **The bidder is aware that a bid may be submitted for one or all of the sites. It is clarified that if a bid is submitted for all the sites it will be possible to win one or all of the sites.**

3.2. The bidder

- 3.2.1.** Any individual or corporation may submit a bid for this tender.
- 3.2.2.** Wherever the word "bidder" appears, the reference is to a bidder or group of bidders, in accordance with the context of the clause. Wherever the word "winner" appears, the reference is to a winner or group of winners, in accordance with the context of the clause.
- 3.2.3.** In a joint bid (more than one bidder), the contract shall be made with each of the units of the bidder jointly, and their obligations under the terms of the tender shall be joint and several and with mutual guarantee. In the case of breach or non-fulfillment of the terms of the tender by one of the partners, the other partners' bids shall automatically become void and ILA may declare the whole or part of the deposit amount forfeited as fixed and agreed compensation, subject to the terms of the tender (clause 10 below) and may let the plot by long lease to another party.

3.2.4. If the bidder is a foreigner as defined in the Israel Lands Law, 5720-1960, the contract with him shall be subject to the rules on allocation of land to foreigners under the Israel Lands Law, 5720-1960.

- The Israel Lands Law, 5720-1960 is attached as **Appendix C** to the tender booklet.

3.2.5. A company or contractor which/who engages in performance of public infrastructure work or development in the areas of the plan which is the subject of this tender shall be precluded from participating in this tender.

4. Additional terms

4.1. Terms for completion of construction

The winner is aware that he must complete the construction within the period specified in the development contract. An application for an extension of the dates for completion of the construction shall be discussed subject to Israel Lands Council decision 1513 (or any other decision replacing it) and the ILA procedures which shall be in force from time to time, without derogating from what is stated in the terms of the tender.

4.2. The winner's undertaking to register his rights at the Land Registry Office after parcellation (partition)

The winner shall be responsible for all the legal actions required and involved in dealing with the purchasers of the units until registration of their rights at the Land Registry Office (hereinafter: "registration of rights"), including preparation of survey plans and registration thereof at the Land Registry Office, transfer of rights, registration of attachments, giving undertakings for registration of mortgage, registration of mortgages in favour of the purchasers of the units, registration of a condominium in buildings of two or more housing units, examination of tax certificates and registration of rights.

To remove doubt it is clarified that any action which applies to the winner under the contract and/or by law, with regard to registration of the rights, shall be performed and registered by him at the Land Registry Office only and not at the offices of ILA and in its books and the winner shall not be permitted to refer the purchasers of units on the commercial façade of the plot to ILA for the purpose of receiving services, including: undertaking to register mortgage, transfer of rights, registration of cautions.

4.3. Restrictions on transfer of rights

The winner may only transfer his rights to another party after he has complied with the terms of the tender, including all the payment requirements and signature of a development contract and/or long lease contract as required by the terms of the tender, all in accordance with the provisions of the tender booklet and its appendices and the ILA procedures which are in force from time to time and on condition that the purpose of the allocation has been achieved.

In any case the recipient of the rights shall comply with the terms of the tender and in particular shall meet the preconditions set for participation in the tender, including receiving the Ministry of Tourism's approval. Subject to the aforesaid, ILA shall agree to the transfer of rights in the hotel site as a whole only or to the transfer of rights in an undivided share of the hotel accommodation site. Transfer of rights in each of the hotel accommodation units separately shall not be authorized.

The provisions of the applicable plans (including TAMA 1/12) and the Ministry of Tourism guidelines shall apply to "special hotel accommodation" units, their number and the possibility of selling them.

4.4. Prohibition of coordination of bids

The bidder undertakes to refrain from any action which could expose his bid or result in exposure to the bid of another bidder, including exposure of intentions and considerations before submitting the bid. A bid made contrary to the provisions of this clause shall be disqualified, and the Authority may declare the bid performance guarantee forfeited, subject to clause 10 below.

4.5. Special terms

The bidder is aware that the tender booklet and its appendices (including the Ministry of Tourism's terms and conditions) form an integral part of the terms of the contract.

The special terms stated below, including and especially the dates for submitting a building permit and completion of the construction and the minimal construction, are fundamental terms of the contract, breach of which constitutes fundamental breach as defined in the development contract.

The bidder undertakes to comply with the timetable for execution of the project as set out below:

Within 48 months from the determining date (date of the tenders committee's approval), receipt of a building permit for the project. The minimal construction under the permit shall be as stated in the plan. It is emphasized that a partial building permit, including a permit for performing excavation and reinforcement works, shall not be deemed to be a building permit for the purpose of this clause.

Within 72 months from the determining date (date of the tenders committee's approval) - completion of construction of the whole project in accordance with the development contract and ILA procedures.

Without derogating from the provisions of the tender booklet, and its appendices (including the terms of the development contract and the infrastructure contract), an application for an extension for completion of the construction beyond the aforesaid period shall be subject to Israel Lands Council decision 1513 (or any decision replacing it) and subject to the ILA procedures in force from time to time.

The bidder is aware that during the development period rezoning and/or change of the purpose of the allocation shall not be permitted. During that period the developer may not take action for alteration of the approved Town Plan and/or for alteration of the building permit and/or the scope of the zoning and/or the uses of the project, including by way of relief, non-conforming use, etc., in any way, directly and/or indirectly (except an application for an increase in building rights). After that period the long-term lessee may submit an application for rezoning. Such an application shall be submitted to ILA and the Ministry of Tourism and after its approval at the joint committee it shall be brought for discussion at the ILA District, which may approve or reject the committee's recommendation, in its discretion.

An application for rezoning in the long lease period shall be submitted to ILA and the Ministry of Tourism simultaneously, only after the passage of 7 years from the date of signature of a long lease contract. After approval of the application by the joint committee it shall be brought for discussion at ILA.

The bidder is aware that he must submit a building permit application for advance approval by the Ministry of Tourism, as stated in Appendix H-5 to Appendix I. The Ministry's certificate of approval shall be exhibited to the Authority at the time of submitting the building permit application. The text of the certificate of approval is attached as Appendix H-6 to Appendix I.

It is clarified that the Ministry of Tourism's approval shall not bind the Authority, which may approve or reject the building permit application, in the Authority's discretion and in accordance with the decisions of the Israel Lands Council and the Authority's procedures.

The bidder is aware that the sites which are the subject of the tender are situated in an area to which a concession applies between the State of Israel and Dead Sea Works (hereinafter: "DSW") under the Dead Sea Concession Law, 5721-1961 or any future concession which will be given by the State of Israel with regard to those sites. The bidder shall be liable to DSW in everything connected with performance of works on the sites, all as stated in the infrastructure execution agreement which will be signed between the developer and DSPG, attached as Appendices E-1 and E-2 to the tender booklet.

The bidder is aware that a building permit will be granted, inter alia, in accordance with clause 6 of the plan instructions, including clause 6.2 which stipulates geotechnical and seismic conditions (earthquake and sinkhole risks appendix), clause 6.8, seismic survey. In addition, in the area of the plots there is a height restriction, additional construction restrictions and geological

fracture line in accordance with the sub-zoning as stated in the plan, and clause 7.1- stages of execution of the plan.

The bidder is aware that in Sites 1, 2 and 3 there is a servitude for passage of pedestrians and that he must register the servitude (right of passage for the pedestrian public) at the Land Registry Office. The registration shall be the bidder's responsibility and at his expense.

The bidder is aware that on the sites which are the subject of the tender units may be built as a green building incentive in accordance with the notes in the rights table and the building instructions in the plan and as stated in the table in clause 1 above.

The bidder declares that he has examined the timetables (milestones) above after examining, considering and assessing all the relevant data, and he undertakes not to bring any monetary and/or other demand and/or claim against ILA and/or DSPG and/or Tamar Regional Council and/or any other relevant party on account of those terms, including a demand for cancellation of the transaction against the Authority and/or anyone acting on its behalf on account of the terms stated above.

The bidder is aware that the tender does not include future rights. Any additional utilization of any kind beyond the building capacity permitted by the plan, either of main areas or of service areas and/or use deviating from the development agreements and/or change in the size of the plot for any reason is subject to the advance written approval of ILA and the Ministry.

If additional rights are approved, they shall be subject to additional payment to ILA in accordance with a specific valuation and at the rate customary according to decisions of the Council which are in force at that time, whether the matter concerns additional utilization, relief, change of detailed plan or any other change.

The bidder is aware that ILA shall permit transfer of rights in the development period provided that the purpose of the allocation is maintained and on condition that the recipient of the rights complies with all the terms and provisions of the development contract, including and in particular the preconditions set in the tender, including receiving the Ministry of Tourism's recommendation. Transfer of rights shall be permitted for the hotel site as a whole only or for an undivided share of the hotel accommodation site. Transfer of rights in each of the hotel accommodation units separately or in a specific part of the site shall not be authorized.

The bidder hereby confirms that he has seen and examined the plans and all their documents and appendices and all the material accompanying them located at the Planning Administration site, including an opinion on the feasibility of an engineering solution for construction and establishment of proposed hotels in the area of water-pool 5, in connection with Site 1, Plots

102+151, and that the provisions and stipulations of the plans and their documents and appendices and all the material accompanying them, including the aforesaid opinion, are the guiding ones with regard to the permitted planning data on the sites which are the subject of this tender.

The bidder is aware that, in accordance with clause 4.1.1(c)(3) of the plan, on plots on which "special hotel accommodation" units can be built, if he submits a building permit including construction of "special hotel accommodation" units, every hotel, without exception, shall be defined as a hotel of this class, and the bidder shall not be entitled to any investment grants from the Ministry of Tourism.

Construction of "special hotel accommodation" units shall be subject to the provisions of TAMA 1/12, the provisions of the Town Plan and the Ministry of Tourism's guidelines set out in Ministry of Tourism Director-General's Circular 05/2009, as amended, which is attached to Appendix I to the tender documents.

The "special hotel accommodation" units, their number, and the possibility of selling them shall be subject to the provisions of the applicable plans (including TAMA 1/12) and the Ministry of Tourism guidelines.

The bidder is aware that he is required to comply with all the Ministry of Tourism's terms and conditions as stated in Appendix I.

Payments

4.6.General

- 4.6.1.** The amounts and dates of payment for the land as stated in the table in clause 1 and in the terms of the tender are, inter alia, fundamental conditions for implementation of the award of this tender and they shall apply notwithstanding anything stated anywhere else in the tender documents, and in the case of any delay the award of the tender shall be null and void.
- 4.6.2.** The development contract shall only be signed with the winner after the winner has complied with all the conditions of the tender booklet (as the case may be), including payment of the full consideration for the land and payment of the full development expenses, as stated in the table in clause 1 and in the terms of the tender and provision of guarantees (if required) as stated in clause 6 of the tender booklet.
- 4.6.3.** The winner (or his agent under power of attorney) shall be responsible for coming to the Authority's offices to receive payment vouchers.
- 4.6.4.** It is clarified that if the end of the relevant date for payment to ILA occurs on days on which ILA's offices are not open to the public or are closed, the tender

winner must ensure in advance that he is in possession of a voucher which is up-to-date and correct at the payment date.

- 4.6.5. When the last date for making payments to ILA falls on days on which there is no banking activity in the economy, an extension shall be given for payment until the day on which banking activity is resumed. Days on which there is partial banking activity shall for this purpose be deemed to be days on which there is banking activity in the economy.
- 4.6.6. For the winner's information, if the VAT rate changes during the period between publication of the tender booklet and actually making payment, the winner shall be required to make all the payments required in the tender booklet at the new VAT rate.

4.7. Terms of payment for the land (hereinafter: "the consideration")

4.7.1. Exercise of the guarantee and completion of payment of the consideration, plus VAT.

4.7.1.1. Upon the tenders committee's approval of the tender winner (hereinafter: "**tenders committee's approval**"), the Authority shall exercise the bid performance guarantee as defined in clause 6, as the first payment on account of the consideration.

4.7.1.2. If the amount of the guarantee exercised by the Authority is less than the amount of the consideration, plus VAT, the winner shall be required to complete payment of the balance of the consideration, plus VAT, within 90 days from the date of the tenders committee's approval.

Up to not later than 90 days from the date of the tenders committee's approval, the balance of the consideration, plus VAT, may be paid without the addition of arrears interest. If the winner does not complete payment of the consideration for the land, plus VAT, within 90 days from the date of the tenders committee's approval, the award shall be revoked and the Authority shall be permitted to declare the guarantee forfeited (in the amount specified in the table above in clause 1), subject to clause 9 below.

4.7.1.3. To remove doubt – any payment shall be with the addition of VAT in accordance with the law at its rate known on the date of actual payment.

4.8. Payment of development expenses:

The winner is aware that the development and infrastructure works are being performed by DSPG – Dead Sea Preservation Government Company Ltd, 7 Kanfei Neshirim St., Jerusalem, which is performing the development on behalf of and in place of the Tamar Regional Council.

For details of the tourism development plan at the Dead Sea, Mr Nir Kedmi, Deputy CEO, may be contacted at 02-6558220 nirk@haganot.co.il.

The bidder declares and undertakes that he shall not have any actions and/or claims against ILA in anything concerning the nature of the works performed by the company or its timetables, and if he has claims in this regard he undertakes not to address them to ILA.

- 4.8.1. In return for payment of the development expenses, which include VAT, to DSPG the tender winner shall receive a receipt which is not a tax invoice from the company and shall not be able to deduct input tax on account of the aforesaid payment.
- 4.8.2. In addition to the amount for the land and for the development expenses, the tender winner shall pay charges and levies to the local authority in accordance with the local authority's letter attached hereto as Appendix G to the tender booklet.
- 4.8.3. The infrastructure and development works (including water and sewage works) have been performed/will be performed by DSPG. On performance of the works the Tamar Regional Council has undertaken to set off all the development levies (including for water and sewage) as stated in Appendix G to the tender booklet. The aforesaid setoff shall therefore apply up to a ceiling of the building rights permitted to be utilized under the Town Plan.

4.8.4. Terms of payment of development expenses:

The winner undertakes to pay DSPG the full development expenses in one payment, without splitting the payment vouchers.

Within 90 days from the date of the tenders committee's approval of the determination of the tender winner (hereinafter: "the determining date"), the tender winner must pay the total development expenses to DSPG in accordance with his bid.

- 4.8.5. On receipt of the notice of award of the tender, the winner shall contact the company to receive an infrastructure contract in the form attached to the tender booklet as Appendix E, for signature, and any other instruction or direction if required by DSPG.

4.8.6. Conditions for confirmation of the infrastructure contract:

The winner shall return the signed contract to DSPG, including a bank guarantee for not causing damage and any other document required by the company under the terms of the tender, within 90 days from the determining date, and shall receive written confirmation thereof.

The infrastructure contract shall only be signed by DSPG after the winner has paid the total development expenses to the company in accordance with the aforesaid terms, has paid for the rights in the land, has signed a development contract and received written confirmation thereof from ILA.

It is hereby clarified that written confirmation that the winner has deposited with DSPG a signed infrastructure contract with all the accompanying documents, including a bank guarantee, is a precondition for ILA's signature of the development contract with the winner on account of acquisition of the rights in the land. It is hereby emphasized that the date of deposit of the signed infrastructure contract, with all its undertakings and appendices, with the company (within 90 days) and the date of payment for the development works within 90 days are fundamental conditions of this tender.

The winner shall not bring any demand and/or claim and/or action against the Authority in anything concerning performance of the development works, including the nature of the works, the timetables or any other claim concerning or arising from the infrastructure and development works.

4.8.7. Refund of development expenses to the developer as a result of cancellation of the transaction:

4.8.7.1. If for any reason the winner does not comply with the terms of the tender and his award is revoked by the Authority, DSPG shall only refund the winner the development expenses paid by him after the plot/s is/are remarketed and DSPG collects the development expenses from the new winner.

4.8.7.2. The refund of development expenses shall include addition of linkage to the index (in accordance with the linkage which applies to the components), from the index at which the development expenses were paid to DSPG at the time of the award until the index known on the date of making the refund to the winner.

4.9. Taxes, improvement levy, charges and development levies

4.9.1. The winner shall bear all the taxes (such as purchase tax) which apply to him by law.

4.9.2. The winner shall be exempt from payment of improvement levy for improvement originating from a plan approved by the date of declaration of the winner by the tenders committee, and for which the local authority collects an improvement levy substitute from the Authority by law. If improvement levy applies for a plan approved after the award, the winner shall bear payment, and shall not bring any claim and/or demand and/or action against the Authority on account of this.

- 4.9.3. In addition to payment of the consideration for the land and the total development expense payments, the tender winner shall pay setup fees, charges and levies to the local authority and/or the Water Corporation in accordance with the law and the by-laws in force, and in accordance with the local authority's letter.
- A letter of setoff of charges and levies is attached hereto as **Appendix G** to the tender booklet.
- 4.9.4. The bidder is responsible for examining all relevant data at the local authority and the Water and Sewage Corporation with regard to charges, development levies and setup fees, including the existence of prior debts. It is clarified that the winner shall bear all the debts, charges, levies, setup fees and development expenses of any kind which apply and/or shall apply to the plot which is the subject of this tender, including past debts to the local authority and the Water Corporation for development carried out before publication of this tender, and including any future development which shall apply in accordance with the law and the municipal by-laws, subject to the aforesaid. The winner shall not bring any claim and/or demand and/or action on account of the aforesaid.
- 4.9.5. In any case where a legal demand is received from the local authority and/or the Water and Sewage Corporation for payment of development expenses, setup fees, levies and/or charges for the plot which is the subject of the tender, the winner undertakes to pay all the development debts immediately upon receipt of first demand for payment thereof.

5. Submission of the bid, last date for submitting bids, bid period

5.1. The bid shall be placed in a closed envelope (hereinafter: "**the envelope**") in the tender box designated for this tender at the Southern Business District. Only the tender number must be written on the envelope, without marks identifying the bidder. It is clarified that bids sent by post or fax will not be accepted.

5.2. The bid shall include the following documents:

- 5.2.1. The bid form attached as **Appendix A** to the tender booklet, signed by each of the units of the bidder.
- 5.2.2. Photocopy of the identity card (including the addendum attached to the identity card) of each of the units of the bidder and/or corporate registration certificate of each of the units of the bidder.
- 5.2.3. Bank guarantee in accordance with the provisions of clause 6 below
- 5.2.4. Corporation – certificate with regard to authorized signatories in accordance with the provisions of clause 5.8 below
- 5.2.5. Agent under power of attorney – power of attorney in accordance with the provisions of clause 5.10 below

5.2.6. Ministry of Tourism's recommendation (Ministry of Tourism's certificate of approval in the form of Appendix I).

- 5.3. The bidder is not permitted to change the bid form and/or the tender documents in any way. Any change in the original text of the bid form and/or the tender documents, including addition, deletion, omission, stipulation or reservation, shall lead to disqualification of the bid.
- 5.4. The bidder's bid shall be final and unconditional, and the bidder shall be precluded from making any claim and/or demand for cancellation of the transaction.
- 5.5. In the bid form the bidder shall fill in the **offered price** for the development expenses, including VAT. In addition, the winner shall bear payment for the land plus VAT, taxes, charges and levies, all as stated above in clause 4.9 of the tender booklet.
- 5.6. If there is a discrepancy between the offered price in figures and the offered price in words, the tenders committee, in its sole discretion, shall choose one of the amounts mentioned, with preference being given to the amount specified in figures.
- 5.7. The bidder (including submission of a joint bid) shall submit a bid in one bid form only (Appendix A to the tender booklet).
- 5.8. Submission of a bid by a corporation:**

A tender bid may be submitted by a corporation with the signature of the competent authorized signatories and with the corporation's registration certificate attached. A certificate from a certified public accountant or advocate must be attached, according to which the signatories of the bid are the authorized signatories of the corporation who are authorized to sign the tender documents (the text of the aforesaid certificate is in clause 6.3 of the bid form (Appendix A to the tender booklet)).

A corporation cannot submit a bid by means of an agent under power of attorney.

5.9. Submission of a joint bid:

- 5.9.1. A tender bid may be submitted as a joint bid by a number of units (hereinafter: "**joint bid**"). In a joint bid the tender documents shall be signed in accordance with the provisions of the tender by each of the units of the bidder in the joint bid. In any case the partnership shall be in undivided shares (*musha*).
- 5.9.2. If a bid is submitted by a number of units, in their joint bid the units shall indicate each one's pro rata share of the plot. The indication of shares of rights shall be in simple fractions only. If the shares are not indicated as aforesaid the contract shall be made with each of the units of the bidder in equal shares. It is clarified that it will not be possible to change the shares of the units of the bidder after the last date for submitting bids for the tender.

5.9.3. If a joint bid is submitted, the contract shall be made with all the units of the bidder jointly and their obligations in accordance with the terms of the tender shall be joint and several and with mutual guarantee.

5.10. Submission of bid by power of attorney

5.10.1. A bid for another party shall be submitted with a power of attorney attached. Such power of attorney shall be submitted in the original or in a copy certified by an advocate. If the agent under the power of attorney is not an advocate the power of attorney shall be notarial.

5.10.2. If a bid is submitted by a number of bidders jointly, one power of attorney shall be submitted, which shall be signed by all the bidders, or a number of powers of attorney shall be submitted, in each of which it shall be stated that the agent under the power of attorney is authorized to submit a bid in the tender on behalf of the bidder and on behalf of other bidders jointly and with mutual guarantee.

5.10.3. An agent under power of attorney can represent only one bid. If an agent under power of attorney represents more than one bid, all the bids represented by him shall be disqualified. In any case the power of attorney shall not be subject to any condition and shall not relate in any manner to a specific part of the plot/s. In any case the payments shall be made in full by one voucher, without splitting of the payment vouchers.

5.11. The last date for submitting bids for the tender is **28/10/2019** at **12:00** noon (hereinafter: "**last date for submitting bids**"). The bid shall be submitted by hand to the tender box designated for this tender, at the address: Israel Lands Authority, Government Complex Building, 4 Hatikvah Street, 1st Floor, Beersheba on days and at times when it is open to the public as is customary in the district.

5.12. The bidder must take into account the fact that on entering the Authority's offices a thorough security check will be conducted, which may take a long time. Bids which for any reason are not in the tender box by the date and time specified above shall not be accepted.

5.13. Every bid shall remain in force, with regard to all its details, components and appendices, and shall bind the bidder from the date on which it is placed in the tender box until 28/3/2020 (hereinafter: "**the bid period**").

5.14. The bidder shall not be permitted to withdraw or amend his bid after the last date for submitting bids. The bid is a final and unconditional bid.

5.15. Notwithstanding the aforesaid, if a bidder, before the last date for submitting bids, places in the tender box a written notice of cancellation of his bid which was submitted for the tender (hereinafter: "**notice of cancellation**") and/or an amended bid document cancelling his previous bid for the tender (hereinafter respectively: "**amended bid**" and "**previous bid**"), the previous bid shall be deemed to be void. It is clarified that in any case where a notice of cancellation and/or amended bid is not in the tender box on the last date for

submitting bids, the previous bid shall bind the bidder for the entire bid period without any right of withdrawal as aforesaid.

6. Deposit of guarantees

6.1. Bid performance guarantee

6.1.1. The bidder shall attach to the bid an unconditional autonomous guarantee in favour of Israel Lands Authority in the form attached to the tender booklet, at least in the amount stated in the table in clause 1 (above and below: "**guarantees**" or "**the guarantee**"). The guarantee shall be issued by a bank in Israel or an Israeli insurance company which holds a licence to engage in insurance under the Supervision of Financial Services (Insurance) Law, 5741-1981, and which appears in the list in clause 2.4.4 of Finance and Economy Regulation 7.7.1 as updated from time to time. The guarantee must be attached in the original and in the form attached hereto only. The bid of a bidder who attaches a bank cheque shall be disqualified.

The guarantee shall be valid at least from the last date for submitting bids in the tender, and at least until 28/3/2020.

- The text of the bid performance guarantee is attached hereto as **Appendix D** to the tender booklet

6.1.2. On submitting a bid for a number of plots, a separate guarantee must be submitted for each plot. For example, on submitting a bid for two plots, where the guarantee amount required for each plot is NIS 100,000, two separate guarantees must be submitted in the sum of NIS 100,000 each.

6.1.3. The guarantee shall state the number of the plot for which the guarantee is submitted. It is clarified that a guarantee which does not bear the plot number shall be disqualified.

6.1.4. The name of the debtor in the guarantee/guarantees shall be identical to the bidder's name. In a joint bid, a bank guarantee in which the name of one or more of the units of the bidder appears may be attached. To remove doubt, it is clarified that the term "others" may not be used instead of the bidder's name. If the name of the debtor in the guarantee is not identical to the bidder's name, the bid shall be rejected out of hand.

6.1.5. A guarantee from an insurance company shall be signed by the company itself and not by its insurance agent. If the guarantee is not signed by the insurance company, the bid shall be rejected out of hand.

6.1.6. The guarantee attached to the winner's bid shall be exercised immediately after the award of the tender. It is hereby clarified to the bidder that on the award of the tender to him, the entire amount of the bid performance guarantee shall be exercised as an advance payment on account of the payment for the land.

6.1.7. The guarantee shall be returned to bidders who did not win the tender, by registered post, at the address stated in the bid details.

6.1.8. **For the bidder's attention:**

In accordance with Israel Lands Council decision 1116 of 5.9.07:

A contracting company which on the last date fixed for submitting bids (hereinafter – "the determining date") is a "registration refuser" as defined in the abovementioned decision, shall be precluded from participating in the tender and its bid shall be disqualified, unless on the date of submitting the bid it deposits an autonomous linked bank/insurance company guarantee in the form attached hereto as Appendix D1.

The guarantee shall be in the sum of NIS 100,000 to secure completion of the registration, within 7 months from the determining date, that is to say by 28/5/2020, of all the buildings in which there has been a delay in registration of the condominium and/or the occupants' rights, and the Authority has instituted legal action with regard to them.

In any case, if by the end of the period all the condominiums and/or rights which the guarantee was given to secure have not been registered, the guarantee shall be forfeited.

For the bidder's information, on the Authority's website www.Land.gov.il information is published about "registration refuser contracting companies", and the bidder is responsible for examining it and crosschecking this information with the information in his possession.

For the bidder's information, the name of the "debtor" in the tender guarantee (Appendix D) and the registration refuser guarantee (Appendix D1) must be identical to the bidder's name.

If there are a number of bidders, a guarantee in which the name of one of the bidders appears may be attached. It is clarified that if a guarantee is attached in which the name of the "debtor" is not identical to the bidder's name, the bid shall be disqualified (this clarification also applies to spouses).

7. **Choosing the tender winner**

- 7.1. The bids which are submitted for the tender in accordance with the rules and terms of the tender (hereinafter: "**the valid bids**") shall be brought for discussion before the tenders committee of the Authority, which shall determine the winning bid.
- 7.2. The bid which shall be declared as the winner is the bid in which the offered price for the development expenses, including VAT, is the highest of the valid bids (above and below: "**the winner**"), subject to and without derogating from any other provision of this tender and/or power granted to the Authority under the provisions of the tender and/or under any law.
- 7.3. If it is found that there are two or more valid bids which are identical, competition shall be conducted between those bidders to determine the winner. The competition shall be conducted with regard to the offered price for the development expenses.

It is clarified that a bidder may refrain from changing his bid, and in that case the tenders committee shall regard his original bid as the binding bid for the purpose of the competition process, and in any case he shall not be permitted to withdraw his bid.

If the bidders who submitted identical bids as aforesaid decide to leave their original bids unchanged, the tenders committee shall conduct a lottery between them.

It is clarified that if a bid is submitted for all the plots, it shall be possible to win one or all of the plots.

Notwithstanding the provisions of this clause, the Authority may cancel the tender and/or change the terms of the tender at any time, as stated in clause 10 below, and the aforesaid provisions of this clause do not amount to an undertaking by the Authority to accept any bid, including the bid in which the offered price is the highest.

- 7.4. It is clarified that the tender winner shall not be permitted to participate in future tenders published by the Authority and/or the development company and/or anyone acting on their behalf, for performance of infrastructure works and/or development works on plots/sites within the area of the plan.

8. Conditions for contracting with the winner

- 8.1. A development contract shall be signed with the tender winner on fulfillment of the following cumulative conditions, which are fundamental conditions for implementation of the award:
- 8.1.1. The winner has paid the consideration for the land to the Authority on time.
 - 8.1.2. The winner has made payment to DSPG on time of the amount for the total development expenses in accordance with his bid.
 - 8.1.3. The winner has furnished (delivered) to the Authority a development contract to which Appendix H4 to Appendix I ("Developer's declaration of undertaking which shall form part of the development agreement") is attached, signed by him, within 90 days from the date of the tenders committee's approval.
 - 8.1.4. The winner has settled all his obligations to DSPG on time, including furnishing a signed infrastructure contract and furnishing guarantees. The winner must furnish the Authority with confirmation from the company of settlement of his obligations as aforesaid (if signature of an infrastructure execution agreement is required under the terms of this tender).
 - 8.1.5. The above conditions for contracting are fundamental conditions for implementation of the award of this tender and they shall apply notwithstanding anything stated anywhere else in the tender documents, including in the text of the contracts in the tender documents. In the event of any delay in the dates stated in these conditions, the award of the tender shall be null and void and a development contract shall not be signed with the winner (only after signature of which the winner's contractual relationship with ILA commences). If these conditions are not fulfilled the winner's right to receive the site shall lapse.

- 8.1.6.** In any case where the winner does not fulfill the abovementioned conditions, this shall be deemed to be breach of the winner's obligations under the terms and conditions of the tender, his award shall be revoked immediately and the provisions of clause 9 below shall apply with regard to forfeiture of the guarantee and additional relief.
- 8.1.7.** Notwithstanding the aforesaid, if the winner complies with all his obligations under the terms and conditions of the tender but is a few days late (which in any case shall not exceed seven work days) in furnishing the signed infrastructure development contract and/or development contract, ILA shall consider remedying the defect. In any case it is clarified that ILA is not obliged to permit the defect to be remedied, and this is subject to its wide discretion. In addition, it is clarified that furnishing guarantees of any kind on time is a fundamental condition, even if the matter concerns an appendix to a contract, and any delay in furnishing them is a defect which cannot be remedied and shall lead to the revocation of the award.
- 8.1.8.** Subject to the aforesaid, a development contract in the form attached as Appendix B1 to the tender booklet shall be signed with the tender winner.
- 8.1.9.** It is clarified that the Authority will sign one joint contract with all the bidders specified in the bid form, and with them only (for example: if a husband and wife intend to sign a contract with the Authority jointly, the details and signatures of both of them must be included in this form).

Notwithstanding the aforesaid, if the bidder (including units of the bidder/bidders) establishes a new corporation after the date on which the tenders committee decided on the tender winner, the Authority shall sign with the new corporation which was established (instead of the bidder who won), if the following (cumulative) conditions are met:

- The bidder (including units of the bidder/bidders) has expressly stated in the tender bid form (Appendix A) that the bidder intends to establish a corporation following the award.
- The bidder has furnished the Authority with an "authorization for registration in the land registers" before the last date on which he is required to furnish the Authority with the development contract signed by him (clause 8.1.3 above).

With regard to "authorization for registration in the land registers": The bidder must furnish two authorizations. In one of them ILA shall appear as the seller and the name of the bidder who won the tender shall appear as the purchaser, and in the other the bidder who won the tender shall appear as the seller and the new corporation which was established shall appear as the purchaser. It should be noted that if the authorization is conditional, an authorization must be furnished after payment.

- 8.1.10.** The tender booklet with all its documents and appendices forms an integral part of the terms of the aforesaid contract.

9. Breach and relief

9.1. The bidder/winner is aware that if one of the grounds stated in Regulation 16B(b) of the Mandatory Tenders Regulations exists, as stated below, the tenders committee may order forfeiture of the bid performance guarantee (up to the amount of the bid performance guarantee which appears in the table in clause 1) and the bidder/winner may submit written arguments against forfeiture of the guarantee, in whole or in part, not later than 30 days from the date of confirmation of cancellation of the transaction/award.

Regulation 16B (b): "The tenders committee may order forfeiture of a bidder's tender guarantee, in whole or in part, after he has been given the opportunity to state his arguments, if one of the following applies:

- 9.1.1.** In the course of the tender he acted with guile, trickery or lack of integrity;
 - 9.1.2.** He gave the tenders committee misleading information or inaccurate material information;
 - 9.1.3.** He withdrew the tender bid submitted by him after the last date for submitting tender bids had elapsed;
 - 9.1.4.** After being chosen as the winner of the tender he did not act in accordance with the provisions stated in the tender which are a precondition for creation of the contract between the public body and the winner of the tender."
- 9.2.** Forfeiture of the bid performance guarantee as aforesaid shall not exhaust and/or derogate from any other relief and right granted to the Authority by law. Without derogating from the generality of the aforesaid, the Authority may claim specific performance and enforcement of the winner's obligations and/or may claim higher damages from the bidder for the damage which has been or will be caused to the Authority and/or may declare forfeited any other amounts which have been or will be paid by the bidder.
- 9.3.** In any case of breach of the winner's obligations as aforesaid, the Authority may regard the bid as void ab initio, and may cancel the contracts signed with the bidder. The Authority shall be free and permitted to take any action with or concerning the plot/s and/or to contract with any person as it sees fit.

10. Change in the terms of the tender, extension of dates, cancellation of the tender

10.1. Change in the terms of the tender

10.1.1. The Authority may at any time and in its sole discretion change any of the terms of the tender (hereinafter: "**change in the terms of the tender**"). The Authority may decide on change in the terms of the tender up to the last date for submitting bids. The notice of the change which is published on the Authority's website shall

form an integral part of the terms and documents of the tender and shall bind the bidder.

10.1.2. The Authority shall give notice of the change in the terms of the tender via the website.

10.1.3. The bidder is solely responsible for keeping track of the Authority's notices in connection with change in the terms of the tender which are published as aforesaid and acting in accordance with them. The bidder/winner shall not bring any claim and/or demand and/or action in connection with lack of knowledge of the change in the terms of the tender.

10.2. Extension of dates

10.2.1. Without derogating from the generality of the provisions of clause 10 above and subject to them, the Authority may postpone any of the dates fixed in the terms of the tender, including the last date for submitting bids, as it sees fit, and even a number of times, in its sole discretion. The aforesaid does not impose any obligation on the Authority to postpone the last date for submitting bids at the request of any bidder, for any reason.

10.2.2. The bidder shall not bring any claim and/or demand and/or action against the Authority in the case of change in the terms of the tender and/or extension of the dates as aforesaid.

10.3. Cancellation/suspension of the tender

Without derogating from the generality of the provisions of clause 10 above and subject to them, the Authority, in its sole discretion, may cancel/suspend the tender at any time, and the bidder or winner shall not have any monetary or other claims and/or demands and/or actions on account of this.

11. Conditions for declaration of a second bidder as the tender winner

11.1. If the original tender winner does not fulfill the conditions of his award and the transaction with him is cancelled, the Authority shall discuss an application to declare the bidder with the second highest bid (hereinafter: "bidder no. 2") as the tender winner, on fulfillment of the following cumulative conditions:

11.1.1. Not later than 90 days from the date of the tenders committee's approval of the original tender winner, bidder no. 2 has submitted a written application to the Authority in which he requests to be declared as the tender winner.

To remove doubt, it is clarified that the Authority shall not inform bidder no. 2 if the tender winner does not fulfill the conditions of his bid and his award is cancelled. Bidder no. 2 shall be solely responsible for applying to the Authority as aforesaid.

- 11.1.2.** Bidder no. 2 shall be required to equalize his bid to the winner's bid with regard to the amount of the development expenses.
- 11.2.** If the tenders committee decides to declare bidder no. 2 as the tender winner, he shall be required to complete the rest of the actions and payments required under the provisions of the tender booklet and subject to the committee's letter of declaration of bidder no. 2 as the tender winner. It is emphasized that all the terms of the tender booklet shall apply in full to bidder no. 2, except the necessary changes as stated below.
- 11.3.** The terms of payment of the consideration for the land and the development expenses, including the timetables, shall be identical to those stated in the terms of the tender above, but the determining date for payment and for any other action required under the terms of the tender shall apply from the date of the tenders committee's approval of bidder no. 2 as the tender winner.
- 11.4.** The following shall be added to the payment of the consideration for the land: addition of linkage to the consumer price index from the base index (the index known on the date of declaration of the original winner) until the index known on the date of declaration of bidder no. 2 as the winner. It is clarified that if the index known on the date of declaration of bidder no. 2 as the winner is lower than the base index, the amount shall remain unchanged.
- 11.5.** Linked interest shall be calculated on the amount obtained as aforesaid, for the number of days from the date of the tenders committee's decision on the tender winner until the date of the tenders committee's decision declaring bidder no. 2 as the tender winner. The interest rate shall be the rate specified in the Adjudication of Interest and Linkage Law known on the date of doing the calculation.