Agreement with an entrepreneur regarding services relating to Resort Apartments 20/2/18

drafted and signed in Switzerland on January ____ 2018

Between: Excelion AG Company, a limited company in Switzerland, registration number che 443304522, whose address is Pletschenstrasse 20, 3952 Susten, Switzerland, by Dan Zimmer hereinafter - "the Entrepreneur", on the one hand,

And: _____, ID_____ :

Phone: _____, Email_____ :

Whose address is _____, hereinafter - "the Owner", on the other hand,

Whereas the Owner has contracted with the company of Alpentherme Leukerbad GmbH & Co. an agreement for the purchase of a Resort apartment, that is attached as an appendix to this agreement ("acquisition agreement ") referring to a vacation apartment ("the vacation apartment") in the building ("the building"), the details of which are set out in the to the Acquisition Agreement, and whereas this transaction was carried out as a part of the sale of all the resort apartments in the building to private owners, and whereas in of the acquisition agreement the owners undertook to pay the full consideration for the purchase of the vacation apartment,

And Whereas the building is intended for use as an active vacation apartment building for the purpose of skiing and spa tourism, after general renovation of the building, the public parts of the building and all the apartments in the building will be completed, and liaison with the parties required to manage the building as a holiday apartment building,

And Whereas the building will include, in addition to apartments and public spaces, a Restorant and a spa ,

And Whereas the Owner signed the acquisition agreement based on the Entrepreneur's commitment to make a general rehab of the building and the Resort apartments,

And Whereas the Owner undertakes to the Entrepreneur as specified in this Agreement,

Therefore, the parties agree as follows:

.1 **Entrepreneur commits to perform all the Renovation Work and other Services**

The Entrepreneur declares that he has undertaken towards Alpentherme as follows:

A. To carry out a general renovation of the apartments and the apartments building and to provide additional services that will enable it to be used as an active vacation apartment building, and in addition to the previously mentioned, to carry out additional acts as stated below.

B. To obtain the approvals required by law to perform the renovation work.

C. To carry out the entire renovation work for a thorough renovation of the building, its public parts and all the apartments, until it is completed, in accordance with the technical details appendix attached as an appendix.

D. To appoint during the renovation a building supervisor who is an architect / engineer/ construction person, who shall submit reports on the construction work.

E. Transfer to the Owner a copy of the supervisor's report on an ongoing basis.

F. And to begin the renovation within six months from the date of the first payment of the consideration to the Seller according to the acquisition agreemet.

G. That he has seen and examined the building, the public parts and the apartments, and he declares that he has the skills, the capacities, the workers, the equipment and the means to carry out the renovation work with skill, using accessories, equipment and standard materials and in accordance with the specifications.

H. To maintain insurance of the building and the apartment at his own expense from the date of signing this agreement until the date of completion of the renovation work.

I. In the event that an unexpected issue arises during the work, it will be resolved in such a way as to allow the use of the apartment for the intended purpose.

J. The Entrepreneur undertakes to complete the renovation work in the apartment and building. The renovation of the building is very thorough and may take up to 12 months.

K. Whereas the works are conditioned of external factors, such as permit from the authorities, weather and subcontractors, and works time can be longer, hence in the event that the renovation does not end within 18 months after the first payment has been transferred to the trust account of the Seller and until the date of Completion of the renovation works, the Owner will be entitled to receive a monthly amount of _____ Frank until the completion of the works. This payment substitutes rent, and shall be the sole remedy.

L. To grant the renovation work a 24-month inspection period during which any defect arising from the renovation work will be repaired by the Entrepreneur and at his own expense.

2. The Entrepreneur's obligations to provide Services to the Owners

In addition to the undertaking of the Entrepreneur towards Alpentherme to carry out the renovation works as detailed above, the Entrepreneur undertakes towards the Owners:

A. To carry out the necessary activities in order to enable the ongoing operation of the building as an active vacation apartment building and the apartment as an active vacation apartment.

B. To locate a management company and supervise the engagement with it. The management agreement shall enable the Owner (including parents and children) self-usage of the apartment for 4

weeks a year in the off season.

C. To coordinate without any cost between the Owners and all the relevant parties to the apartment for three years after completion of the renovation work, including the management company, real estate agents, financial advisors, accountant.

D. In light of the fact that the creation of a reputation for the property and the creation of occupancy takes about two years, the Entrepreneur undertakes that in the event that in the first two years after the date of completion of the renovation work the annual yield of the invested money will not reach _____ franc, the Entrepreneur will complete the income to _____ franc annually.

E. To allow the apartments to make use of the part of the building that the Entrepreneur owns, which is the Restaurant.

F. The Entrepreneur undertakes to accompany the Owners to receive a loan to finance the second half of the consideration for the apartment. The Owner is aware that the terms of the loan, the interest and the life span of the loan will be determined by the lender, and may not be consistent with the expectations of the business plan, and that the loan's costs to be paid by him amounting two percent of the sum of the loan. The Owner undertakes to perform all the actions required to obtain the Loan, to submit the required documents and to sign the required documents. If the Owner does not receive a loan, the Owner hereby allows the Entrepreneur to obtain a loan secured by a lien on the property and undertakes to sign any document required (until a bank agrees to finance apartments in the building).

3. Representations and Warranties of the Owner

The Owner hereby declares and undertakes as follows:

A. The Owner is aware that the economic results are based on the actual performance of a management company that creates reputation for an asset which creates occupancy rates and bed rates. The economic results vary accordingly and no yield is guaranteed. Renovation and improvement of the property will be expressed after completion of the renovation process. Estimates regarding occupancy and tariff are based on comparative data of other assets, but are not absolute and do not constitute a liability but an estimate. It is emphasized that there may be a lower or higher occupancy rate and possibly lower or higher bed rates, depending on the circumstances. A sensitivity analysis of the income according to the bed rate and the rate of occupancy starting from the third year, after two years of generating reputation, is attached as an appendix to the agreement. The sensitivity analysis constitutes a significant part of the agreement, and it is clarified that there is no obligation to return, occupancy, tariff or expenses, and that the Owner is aware that the economic results of the acquisition are not dependent on the seller, but rather stem from the state of the market, the manner of management, economic and other factors. In addition, the forecast of expenses is general and there may be expenses that are not included therein. In addition, the estimation of any of the expenses is not persise- the actual expenses may be

highr/lower, there may be other expenses, there may be deviations and mistakes..

B. The relationship between the Owner and the Entrepreneur is indipendent and is not conducted through the marketer of the property- Hagigim- Real Estate for Safe Futue Investments, any related company, managers or any entity acting on behalf of the marketer (hereinafter together - "the Marketer"). the Owner undertakes not to claim that the Marketer is responsible for the Entrepreneur's actions or omissions, for economic information, representation etc. The Owner declares that information about the transaction and the documents as well as updates and coordination that are transferred to him by the Marketer do not constitute a warranty of the Marketer and will not be interpreted as supporting the claim that assigns responsibility to the Marketer.

C. The Owner is fully aware of his right to discuss all aspects of the agreement with Israeli and Swiss lawyers and accountants, hence any information that has been presented to him shall be considered as general information – owner commits not to rely on it, but rather get independent consultant, and that he has allowed himself to realize this right, that he has read and understood the provisions of the agreement, that he is capable of carrying out the agreement and that his decision to conclude the agreement was of his own free will and that he read the agreement in full and understood its meaning, content and results.

D. Although direct investment in a vacation apartment is relatively safe, it still has, as in any other investment, risks. Yield is the result of actual performance - gross income, expenses and net income will be determined according to the actual situation. The Owner is aware that the apartment is not a residence apartment for long term rental, but rather a vacation apartment. The incomes are also dependent on the performance of the management company, and can change the yield substantially as well, as seen in the attached sensitivity analysis. The purchase of the apartment is suitable for the purchaser who has financial ability, experience in real estate investments and is not dependent on the current income from the asset.

E. This is not an ordinary living apartment, but rather a vacation apartment for short vacation periods, and according to that, its nature is different. Accordingly, the costs of maintenance and depreciation are not known in advance, the assessment of the Entrepreneur is an assessment based on the opinions of professionals, but substantial deviations may occur. As for the increase in value, the seller has no certainty regarding the increase in value in the past and for future value appreciation - the Entrepreneur has found a general document that discusses an increase in value of thousands in vacation apartments, but this does not constitute a statement about the specific type of assets, and certainly not on the asset that is the subject of the agreement.

G. The Owner is aware that the apartment shall be under construction, hence the opportunity is accompanied by a price of flexibility, and therefore the conduct of the transaction can be slightly different from what agreed upon, and accordingly the Owner undertakes to interpret this agreement in good faith rather than in literalness, and the Owner understands this and will avoid demanding exact execution of the provisions of the agreement. In addition, there may be a apply a demand of the authorities, a third party, or a physical or other need to make changes to the structure, the apartment, the management manner, the management agreement, the Common house Regulations policies, the transaction, even after the conclusion of this agreement, and the Owner agrees that in the event these changes will be made, he will not be entitled to any compensation in exchange for them, but as follows-

if the size (in square meters) is changed, the price will be changed proportionally –In a case of reduction the buyer is entitled to a relative compensation and in a case of enlargement he will pay an incensement (in any case of change, the purchaser has no other remedy than the aforesaid).

H. The Owner is aware of the principles of the common house regulations policies attached to the acquisition agreement.

I. The Owner is aware that in the event that the Owner does not pay the second half of the consideration for the purchase of the property to the seller, the Entrepreneur will pay this half. In such a case, the Entrepreneur will be entitled to receive from the Owners a monthly interest of one percent until the date on which the Owner transfers to the Entrepreneur the full amount.

J. Owner is aware that the sale of the Property is possible only after five years of ownership; a foreign citizen and his spouse my own only one real estate asset in Switzerland.

4. Property management

The signing of this agreement by the Owner constitutes an authorization for the Entrepreneur to sign a management agreement with a management company that will be selected by the Entrepreneur at the absolute discretion of the Entrepreneur.

5. Jurisdiction

This Agreement, the Entrepreneur, the Marketer, the Sale Process, presentations, and any dispute arising from them, including all presentations and all actions taken prior to the conclusion of the agreement, shall all be governed by Belgian law, regardless of conflict among different jurisdiction authorities. Any such dispute shall be subject to the exclusive jurisdiction of the courts in the State of Belgium.

6. Miscellaneous

A. This Agreement constitutes the final and comprehensive agreement between the parties and supersedes any other representation of consent or communication between the parties or any document that was presented. Owner declares that he is aware that he may not rely on any information that has been presented by the entrepreneur, the marketer or anyone on their behalf, unless (a) this information is included in the agreement or its annexes, and (b) signed by the entrepreneur.

B. If for any reason the agreement will not be possible to executed, the Entrepreneur will be entitled to purchase the apartment from the Owners in the same amount that the Owner paid for its acquisition in the Swiss franc, in which case the Owner will have no claim or demand against the Entrepreneur.

C. Owner undertakes not to participate in any class action or group action against the Enterpreneur and Markeret.

D. The amendment of agreement is possible only in writing and when signed by the parties. It is clarified that there will be no validity to oral, hand written or e-mail changes that do not bear the signatures of the parties.

D. The Owner may not add or subtract from renovations.

E. Should there be a need to sign additional documents required for the execution of the transaction, the parties undertake to sign and transfer them on time.

F. Attached are appendices to the agreement: the apartment acquisition agreement and its appendices – a sketch of the apartment, a general sketch of the building, Excel Sensitivity Analysis, Draft directive concerning the management of the common house regulations (may be amended). As of any document or information regarding the construction works there may be changes in the specifications and other details.

G. Images and illustrations are for illustration purposes only. There may be changes in design and performance, without diminishing the generality of things, in the structure, outside details, raw materials and finished materials. One not rely on images in any way, but only technical specifications.

H. Without diminishing the generality of subsection A before, it should be emphasized, that whereas before or after the conclusion of the agreement, Owner may have been exposed to additional information about the vacation apartment sector, including the possibility that the entrepreneur may sign a management agreement regarding another vacation apartment building with a commitment to higher occupancy, as well as information on websites that Owner might have seen, that relates to higher taarif and higher occupancy rates in Leukerbad, hence Owner reiterate that although there may be such information he does not rely on such additional information as stated in this subsection G, and certainly does not expect economic results based on higher occupancy and higher tariffs, and accordingly Owner undertakes not to make any claim against the company or the marketer in respect of such information as stated in subsection G.

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In witness whereof the parties have signed,

_____	_____
The Owner	The Entrepreneur - Excelion AG By: Dan Zimmer

<u>נספח עבודות השיפוץ</u>

השיפוץ בשטחים הציבוריים :

- מעלית חדש במקום המעלית הקיימת. לפי תקן 2018.
- רענון המעטפת החיצונית ע"י בידוד וכיסוי עץ/צביעה.
- החלפת הריצוף באזורים הציבוריים ובמסדרונות.
- חלוקה פנימית חדשה לפי התוכניות וצביעת הקירות הפנימיים.
- החלפת חשמל ותאורה למערכת מודרנית.
- טיפוח גינה.
- חדר הסקי.
- JACUZZI חיצוני. סאונה חיצוני.
- המבנה כולל חדר אוכל המשמש לארוחות בוקר.
- מודגש כי אין בנכס ברכה.

בדירות יבוצעו כל ההתאמות לשימוש כדירות נופש סטנדרטיות ויבוצע זיווד מושלם :

- חיפויים לרצפה , בחדרי אמבטיה - חרסינה, בחדרים שטיחים/למינט.
- בחדרי האמבטיה ובמטבח אביזרים חדשים כיורים, אסלה, ברזים.
- מטבח חדש עם זיווד של מקרר, כיריים חשמליים.
- חלונות triple glazing לפי התקן השוויצרי.
- צביעה וריהוט.