

Lease Agreement

Drafted and signed in Tel Aviv-Jaffa, on _____ month of _____ year _____.

By and between

_____, ID No. _____.

Of (address) _____.

(The Apartment Owner)

On one party

And

1. _____, ID No. _____.

1. _____, ID No. _____.

Jointly and severally

Of (address) _____.

(Hereinafter jointly, the Tenant)

On the other party

1. Preamble

- 1.1. The owner of the apartment is the registered owner of the rights in the ___ room apartment with its appurtenances, on _____ street in Tel Aviv-Jaffa (the Apartment);
- 1.2. The Apartment Owner wishes to rent the apartment to the Tenant, and the Tenant wishes to rent the apartment from the Apartment Owner by an unprotected tenancy agreement, subject to the terms and conditions set out in this agreement below;

Therefore, it is agreed and stipulated between the parties:

2. The Parties' Representation

2.1. The Apartment Owner represents as follows:

- 2.1.1. She/he did not grant a third party any contradictory ownership rights to the apartment, and that there is no legal impediment to the use of the apartment for residential purposes and nor for the Apartment Owner to enter into this agreement.
- 2.1.2. The apartment is habitable and handed over to the tenant when it is free and vacant of any person or object, apart from the items listed in the list of contents attached as **Appendix A** to this agreement (the List of Contents), and that the contents constitute an inseparable part of the apartment.
- 2.1.3. She/he is unaware of any intention to initiate a building reinforcement project under National Master Plan 38 or any renovation of the building in which the apartment is located during the lease period and that she/he will notify the tenant of any such intention, if any, during the lease period immediately upon becoming aware of such.

2.2. The tenant represents as follows:

2.2.1. He/she have read and understood the provisions of this agreement and he/she saw and examined the physical condition of the apartment and found it to be suitable to his/her use, as-is, in proper and good condition, excluding the defects specified in the protocol attached as **Appendix B** to this agreement (the **Apartment's Condition Protocol**) and he/she waives any claim with regards to this matter.

3. Purpose of Lease

The Tenant undertakes that during the entire period of the lease, the apartment (and any part of it) shall be used solely for residential purposes.

4. Term Of Lease

4.1. The parties agree that the term of lease of the apartment will be 12 (twelve) months, beginning on _____ and ending on _____ (the **Lease Term**).

5. Rent

5.1. As consideration for the lease of the apartment during the lease period, the Tenant shall pay the Apartment Owner rent in the amount of _____ ILS (in words: _____ ILS) per month (the **Rent**). The rent will be paid each ____ day of the month.

5.2. Select one of two options:

The Tenant will provide the Apartment Owner, upon signing this agreement, with 12 [twelve] checks for each of the 12 [twelve] months of lease. The parties agree that only the actual cashing of each and every check shall be deemed as payment of the rent (with the exception of a check that is not cleared due to reasons related to the Apartment Owner).

The rent will be paid by bank transfer to bank account number _____ in bank _____ branch number _____, each ____ day of the month during the entire term of lease.

5.3. The tenant will pay the rent for the Lease Term even if the apartment is not used.

6. Option Period

6.1. The Tenant is hereby given a choice (option) to extend the Lease Term for one additional period of 12 (twelve) months starting immediately upon the conclusion of the Lease Term (above and hereinafter: "the **Option Period**").

6.2. The rent during the Option Period shall be as specified in section 5.1, but the Apartment Owner is entitled to inform the Tenant of an increase of up to 3% (three percent) in the rate of the monthly rent during the Option Period. The Apartment Owner will send the tenant a written notice detailing the sum of rent during the Option Period no later than 6 days before the end of the Lease Term. Failure to send a notice by the Apartment Owner on time is tantamount to the consent of the parties that the rent during the Option Period will be as detailed in Section 5.1.

6.3. The realization of the Option Period is subject to fulfillment of all the following cumulative conditions by the Tenant:

6.3.1. The Tenant sent a written notice of his desire to realize the Option Period no later than 45 days prior to the end of the Lease Period.

6.3.2. The tenant provided the Apartment Owner with, 12 (twelve) checks for the amount of rent for the entire Option Period, no later than 30 days before the end of the Lease Period.

It is hereby clarified that the obligation to provide checks shall not apply if the parties have agreed in writing that rent shall be paid by means of a bank transfer.

6.3.3. The Tenant made sure that the collateral detailed in section 15 is extended so that it will be in effect for the duration of the Option Period.

6.3.4. The tenant has not violated the Agreement by a fundamental breach for which he/she has received a written notice in advance from the Apartment Owner.

6.4. Should the Tenant realize the Option Period, all provisions of this agreement shall apply to the Option Period as they are, with the required adjustments and wherever it is stated Lease Term in this agreement it shall also apply to the Option Period. It is hereby clarified that in any case the lease period under this contract, including the Option Period, shall not exceed 24 (twenty-four) months.

6.5. The parties agree that should the tenant fail to deliver a notice regarding the exercise of the Option Period on the date stated in section 6.3.1, the Lease Term shall conclude on the date specified in section 4.1 and all provisions of the agreement regarding the termination of this agreement will apply, including the evacuation of the apartment and the return of possession to the Apartment Owner.

7. Notification prior to the end of the Option Period

7.1. The Apartment Owner shall notify the Tenant in writing 60 (sixty) days before the end of the Option Period, if exercised, whether he/she intends to offer the Tenant a lease for an additional period and under what conditions.

7.2. The tenant shall notify the Apartment Owner no later than 45 days prior to the end of the Option Period, if exercised, whether he/she intends to accept the offer of the Apartment Owner as stated in section 7.1.

8. Taxes and regular payments

8.1. In addition to paying the rent, the tenant undertakes:

8.1.1. To bear all regular payments with respect of the use of the apartment, which include, inter alia: electricity, water, municipal property tax, gas and building committee fee (the Regular Payments).

8.1.2. That within 30 days from the date of signing of this agreement, she/he shall arrange to have all accounts pertaining to Regular Payments applicable to the apartment under his/her name; shall give proof thereof to the Apartment Owner and shall maintain the said accounts under her/his name for the duration of the lease.

8.1.3. To pay all Regular Payments in a timely manner. The Apartment Owner may, after providing the Tenant with a prior notice in writing at least 14 (fourteen) days in advance, pay any regular payment that was not paid on time instead of the Tenant. The Tenant undertakes to reimburse the Apartment Owner any amount paid under this section within a reasonable time from the date of the first notice in writing.

8.2. The Apartment Owner undertakes:

8.2.1. To pay all taxes, fees, levies and payments which apply by law or by nature to the owner of an apartment.

8.2.2. For the avoidance of doubt, payments in addition to the regular building committee payments, and which are required by the building committee for the maintenance of the building in which the apartment is located, will be paid by the Apartment Owner.

9. Repairs and maintenance of the apartment

- 9.1. The tenant undertakes to maintain the apartment in its condition as stated in section 2.2 and as detailed in the Apartment Condition Protocol throughout the Lease Term, subject to reasonable wear and tear.
- 9.2. The Apartment Owner undertakes to repair any malfunction, fault or defect caused by reasonable wear and tear, in the apartment and anything permanently fixed therein at his/her own expense, including, and not limited to, electricity system, plumbing and water systems, boiler, air conditioners and the apartment's walls, doors and windows. The repair shall be done no later than 30 (thirty) days from the date of notice by the Tenant.
- 9.3. Notwithstanding the provisions of section 9.2, should the said fault or defect require urgent and immediate repair (the kind which does not allow reasonable usage of the apartment), the Apartment Owner undertakes to repair it immediately, and in any case no later than three (3) days from the date of the tenant's notification thereof.
- 9.4. Without derogating from the Apartment Owner's responsibility, the Tenant undertakes to repair any malfunction or defect caused to the apartment and anything permanently fixed therein by unreasonable or negligent use by the Tenant.
- 9.5. It is agreed by the parties that, unless otherwise stated in the list of contents attached as Appendix A, the responsibility for repairing the contents (items) will apply to the Apartment Owner.

10. Alterations in the Apartment

- 10.1. The tenant undertakes not to make any internal or external change or alteration in the apartment, not to add any addition (expansion) to it, not to demolish any part of the apartment or its facilities, and not to allow and permit any change, addition or demolition, without prior approval in writing by the Apartment Owner.
- 10.2. In the event that the Tenant makes alterations to the apartment despite the provisions of section 10.1, and without derogating from the other rights of the Apartment Owner, the Apartment Owner may choose, at her/his sole discretion, whether to obligate the Tenant to return the apartment back to its previous state at the Tenant's expense or leave the alterations or additions in the apartment as they are, and these will be deemed property of the Apartment Owner without having to pay for it.

11. Home Insurance

- 11.1. The apartment owner will purchase, maintain and bear the costs of an apartment insurance policy that will cover the structure and all its systems throughout the Lease Term. The insurance policy will include a clause for the waiver of right of subrogation in favor of the Tenant and anyone on his/her behalf. The responsibility to purchase contents insurance and third party insurance will apply solely to the Tenant and at his/her own discretion.

12. Transfer of the right to lease the apartment to a third party

- 12.1. The Tenant acknowledges that her/his leasing rights are personal and he/she undertakes not to transfer, pledge or deliver the rights under this agreement to a third party.

12.2. Notwithstanding the provisions of section 12.1, it is agreed that subject to the prior written consent of the Apartment Owner, the Tenant may transfer the leasing rights to a third party, subject to locating an alternative replacing tenant (the Alternative Tenant). The Alternative Tenant will assume the Tenant's position under this agreement, undertake all his/her obligations for the remaining Lease Term and provide alternate collateral identical to the ones provided by the Tenant. The parties agree that the Apartment Owner reserves the right to refuse to transfer the rights under this contract to the Alternative Tenant for reasonable grounds.

13. Returning the apartment

13.1. At the end of the Lease Term, the Tenant shall hand over the apartment to the Apartment Owner when it is free from any person and any object that is not included in the list of contents, as stated in section 2.2, with the exception of reasonable wear and tear due to normal use.

13.2. Without prejudice to the provisions of Section 13.1 and/or the rights of the Apartment Owner pursuant to law or this agreement, it is agreed that should the Tenant not vacate the apartment as stated in section 13.1 above, the Tenant will then be obliged to pay the Apartment Owner a sum equivalent to three times the amount of daily rent as per this agreement for each day in which the apartment is not vacated. The parties assessed this amount as reasonable compensation in respect of damages that may be anticipated as a result of the Tenant's failure to comply with the provisions of section 13.1.

14. Breach of Contract

14.1. The parties hereby agree that the provisions of the Contracts Law (Remedies for Breach of Contract) 5731-1980 shall apply in all matters relating to this agreement.

14.2. Without derogating from the foregoing, the parties agree that the following violations shall constitute a fundamental breach of this agreement:

14.2.1. A delay of more than 7 (seven) days in payment of full rental fees.

14.2.2. Failure to vacate the apartment at the end of the Lease Term or Option Period, if realized, in accordance with the provisions of this agreement.

14.3. the parties hereby agree that in the event of a fundamental breach of this agreement by the Tenant, which is not rectified within 7 (seven) days from the day on which he/she is notified to do so in writing, the Apartment Owner shall have the right to rescind this agreement and demand that the Tenant immediately vacate the apartment and return its possession to the Apartment Owner when it is free of any person and object that does not belong to the Apartment Owner.

15. Collateral

15.1. Upon signing of this agreement, the Tenant provides the Apartment Owner with the following documents (**check the preferred option**):

15.1.1. A signed bond (promissory note) as attached to this agreement as **Appendix D**, in favor of the Apartment Owner in the amount of _____ ILS (_____ Shekels) (up to 6 months' rent).

15.1.2. A signed guarantee letter as attached to this agreement as **Appendix C**. A copy of an identity card or passport will be attached to the guarantee letter.

- 15.1.3. A cash deposit or an autonomous bank guarantee in favor of the Apartment Owner in the amount of _____ ILS (_____ Shekels) (no more than 3 months' rent) that will be valid throughout the Lease Term and for 30 (thirty) days following the end of the Lease Term.
- 15.2. The parties agree that the Apartment Owner shall be entitled to make use of the collateral specified in this section in any case of material breach on the part of the Tenant, subject to a 14 (fourteen) days prior notice in writing in which the Apartment Owner shall give notice of his/her intention as said and shall allow the Tenant to remedy the alleged breach.
- 15.3. The Apartment Owner shall return the collateral aforementioned in section 15.1 to the Tenant no later than 30 (thirty) days following the end of the Lease Term, subject to the submission of proof of the lack of debts in respect of regular payments for the Lease Term.
- 15.4. It is hereby clarified that in the case of co-tenancy, each of the tenants shall provide a guarantor as stated in section 15.1.2 and that in the event of a breach, the Apartment Owner shall use the collateral of the violating tenant as a first measure.

16. Non-Applicability Of Tenant Protection Laws

- 16.1. The Tenant hereby acknowledges that the apartment is a vacant apartment, free from any tenant entitled to its possession after August 26, 1968, and therefore the provisions of the Tenant Protection Law (Consolidated Version) 1972 (the **Tenant Protection Law**) and/or any law in its stead do not apply.
- 16.2. The Tenant acknowledges and agrees that apart from rent, the Tenant did not pay the Apartment Owner or any other person key money or any other consideration in respect of the lease and that the Tenant will not be entitled to key money for the purpose of vacating the apartment, and that any consideration paid under this agreement shall not be deemed as key money.
- 16.3. The Tenant acknowledges and undertakes that any investment made in the apartment, insofar as she/he invests and/or any renovation that she/he will make in the apartment, should she/he do so, will not grant her/him any right under the Tenant Protection Law.

17. General

- 17.1. The Apartment Owner will be entitled to sell his rights in the apartment, transfer them to another, pledge them and take any action he deems appropriate without the Tenant's consent, provided that all Tenant rights under this agreement are maintained, including the Tenant's right to lease the apartment. In the event of the sale or transfer of the rights of the Apartment Owner to a third party, the Apartment Owner shall notify the tenant in writing before the date on which the possession in the apartment is handed over, and the notice shall specify the purchaser's details and means of communication.
- 17.2. It is hereby agreed that notwithstanding the provisions of any law, any debts owed by the parties to this agreement to each other in respect of this agreement may not be offset, save for the prior written consent of the parties.
- 17.3. The Tenant will allow the Apartment Owner and/or anyone on his/her behalf, subject to prior notice and at reasonable times and intervals, to enter into the apartment in order to ensure compliance with the provisions of this agreement, to make repairs and to show it to potential tenants or buyers.

- 17.4. The parties agree that the terms and conditions of this agreement fully reflect the agreements between the parties and rescind any engagement, undertaking, promise and contract made, either orally or in writing, prior to the signing of this agreement. It is further agreed and stipulated between the parties that any change and/or addition to this agreement shall not be valid unless made in writing and signed by both parties.
- 17.5. Any waiver, deferment or avoidance to exercise any right by a party to this agreement shall not be deemed as waiver of any right by that party and shall not preclude any future claim against the other party for the realization of any undertaking under this agreement.
- 17.6. The headlines of this agreement's clauses have been added for the purpose of convenience only and should not bear any interpretative meaning other than this purpose.

In witness whereof the parties have signed:

The Apartment Owner

The Tenant

Appendix A – List of Contents (items remaining in the apartment)

*The list will be filled out by both parties in accordance with sections 2.1.2 and 9.5

No.	ITEM
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Appendix B - Apartment's Condition Protocol

Apartment's address _____ Date: _____

Below is a list of defects found in the apartment at the time it is handed over:

- Walls, is the apartment painted or not: _____
- Holes, cracks, stains (including their location):

- Dampness, description and location:

- Windows (including glass displays, window panes, shutters, blinds and so forth) location and description:

- Doors (entrance, rooms, balconies etc.) location and description:

- Kitchen (including cabinets, sinks, faucets, countertop), description:

- Bathroom and toilet (including toilet bowls, tiles, shower, faucets, sinks, etc.) description:

- Water boiler / electricity / gas, description:

- Miscellaneous:

