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Date: 19/07/22

Assesment No.: 3122/22

Re: Summary of a comprehensive real estate assessment in accordance with Standard 17 Block 3703 Plot 169 Land in various designations

178 Herzl St., corner of 1 Yaakov St., Rehovot

1. Details of the summary order

The summary of the assessment was ordered by Mr. Yechiel Porush, the company's CEO, from the company "Meidar-Lev Ha'ir" on July 19th, 2022.

2. Appraiser's Details

Expert Name: Shalom Steinberg License No. 4136489

A Certified real estate appraiser, real estate consultant and business coach. Member of the board of directors of the 'Association of Mortgage Consultants' and a member of the Courses Committee and the Banks Committee of the Real Estate Appraisers' Association.

Office address: 15 Michael St., Haifa.

And these are the details of my education: A certified real estate appraiser by the Council of Real Estate Appraisers in the Ministry of Justice. A multidisciplinary general BA combined with the Department of Economics from the University of Haifa. In addition, is a mortgage consultant, a licensed real estate broker, and a lecturer in economic and real estate fields in many forums.

And these are the details of my experience: For the past decade I have been managing a mortgage consulting firm, for the past three years I have been operating additional departments in the field of architecture, real estate appraisal and marketing of real estate







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property projects. I issue many property assessments which are accepted regularly in the various banks in Israel and in non banking funds. As well as for the Real Estate Tax Authority and local committees.

As an independent real estate entrepreneur and a service provider in the real estate field, for the past decade I have developed skills and acquired extensive experience in examining real estate p roperties with all their characteristics and complex valuations adapted to this report.

And below is my opinion – this opinion is prepared as a real estate appraisal according to the appraisal standards.

3. The effective date of the assessment

The effective date for the assessment is December 31st, 2021.

The date of the visit to the property wass held on November 21st, 2021, by Shmuel Wiener – economist and real estate appraiser.

Due to the purpose of the assessment and its treatment as empty land, no meticulous visit was made inside the existing buildings.

At the same time, a sample visit was made to some of the buildings within them in order to understand the land.

4. Property Details

Type of identification	Description / Notes
Dwan autry tryn a	Land for commerce and employment – residential
Property type	potential
Block	3703
Plot	169
Plot size	About 1.6 dunams*
Built area	Approx. 500 sqm
Rights	Ownership
Location of the	Herzl Street at the corner of Yaakov Street -
property	Rehovot

^{*}Dunam - a unit of land area used especially in the state of Israel equal to 1000 square meters or about 1/4 acre.

The complex is 1,600 square meters of land at the corner of Herzl and Yaakov streets in







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the city of Rehovot. On the land there are building rights for a commercial floor, an office floor and residential apartments.

The project is located on Herzl Street, which is a central street that combines commerce on the ground floors of residential buildings alongside office buildings.

The proposed plan for the project is a zoning change that will allow the construction of 2 basement floors, a commercial floor, an office floor, an additional office floor for the benefit of the municipality and 56 apartments.

- There is a preparatory plan that is planned by the assessors a plan for the preservation and development of the Eisenberg House complex at 178 Herzl St, Rehovot.
- The main points of the plan are to determine the structure of the Eisenberg House for preservation, and to establish new building provisions in the remainder of the lot, which includes a residential tower with 56 apartments, while converting and strengthening the values of the place.
- The Eisenberg House is included in the list of buildings for preservation in the Re/2000/To plan (notice in accordance with sections 77 and 78 of the Planning and Building Law).

The new residential building will include additional mixed-use residential uses: a commercial ground floor, a first floor for offices and a second floor for public use.

The following is a table of rights proposed in the preparatory program:

	5- Table of rights proposed and construction orders – Suggested Condition																
Designation	Use	Terrain	Building / Place	Lot size (sqm)	Construction areas (m2)				Cover (% of cell area)	Number of housing units	Buildin g height- Above the determ ining entran ce (meters)	Number of Floors		Building Line			
				General Lot Size	Above the determining entry determining entry				·	Above the determining entrance (meters)	Right Side	Left Side	Rear	Front			
					Primary	Service	Primary	Service									
Residential D	Public buildings and Institutions	1	New building	1400	600 (1)	100	0	100				(2)	2.7 (3)	0 (4)	0 (5)	17 (6)	
Residential D	Residential D	1	New building	1400	4884 (7)	3220 (8)	0	3705 (9)		56	68	21 (10)	2.7 (3)	6 (4)	0 (11)	17 (12)	
Residential D	Commerce	1	New building	1400	450	100	0	100				(13)	2.7 (3)	0 (4)	0 (5)	17 (12)	
Residential D	Commerce & Offices	1	New building	1400	600 (1)	100	0	0				(14)	2.7 (3)	0 (4)	0 (5)	17 (12)	
Commerce	Commerce & Offices	2	Building for Reservation	1400	400 (15)	100 (16)					(17)	2	0 (18)	0	0	0	









Summary of building rights as of the date relevant to this report:

The area after expropriation is about 1,273 sqm, the permitted cover is 50% which is 637 square meters.

The main building rights: residential 1,600 sqm., offices 600 sqm., commercial 900 sqm. Number of residential units - 16.

Number of floors – 5, roof exit rooms 40 sqm for an apartment on the roof floor Building rights – Service: storage rooms for commerce in the basement – 360 sqm, warehouses for offices – 60 sqm, residential storage – 64 sqm (4 sqm for units), balconies – 192 sqm (12 sqm for units).

Service areas above the entrance = 509 sqm (40%).

Service areas under the entrance = 1,273 sqm (100%).

Safety Room areas = 192 (12 sqm per unit).

5. History of the property, assessments and transactions:

- In accordance with a sale agreement, half of the plot rights were purchased by the company on August 16th,2020 from "Yahalom corner of Yaakov Ltd." for an amount of 13,256,500 NIS.
- In accordance with the sale agreement, half of the plot rights were purchased by the company on August 12th, 2021 from the company "Bayit in Rehovot on Herzl 178 Ltd.", for an amount of 14,950,213 NIS.
- A full real estate assessment of the taxpayer's property was conducted on 13.07.2021 by the appraiser, Mr. Aviv Gilad, stating that the value of the rights in the lot is 27,100,000 NIS. The value taken in accordance with his opinion is embodied by joint partnersip. This is in light of the fact that the property had an option and was not in its entirety in the name of the company ordering the assessment.

<u>I received a document signed by attorney Karmi Zaken dated August 12, 2021, which</u> is a notice of the exercise of an option on the taxpayer's property.

 An IFRS assessment was conducted by our firm for the effective date of December 31st, 2020. In it, the value of the entire lot was determined at 33,800,000 NIS and an additional value that includes a potential of 34,400,000 NIS. The increase in real estate prices in Israel led to a higher value on the determining









date of this assessment summary.

6. Details of the value of the assets

The value includes 2 components, a value in an existing condition according to an approved plan and a value as a potential after the approval of the zoning plan.

- 1. The market value of the property according to a potential plan is within the limits of 41,550,000 NIS.
 - (This value is after subtracting the estimated payment of an improvement levy of 4,300,000 NIS)
- 2. The market value of the property in question in accordance with an approved plan is within the limits of 38,500,000 NIS.

7. Declarations and signatures

I decalre that I have no personal interest in the reas estate that is the subject of the assessment, in the owners of the rights in it or in the commissioner of the work. The report was prepared in accordance with the Real Estate Appraiser Regulations (Professional Ethics), 5726-1966 and in accordance with the professional standards of the Appraiser's Standards Committee.

And I sign hereto



