

ANNEX XVI - FORM OF CONTINUOUS GUARANTEE

[Insert Date]

The State of Israel
By the Accountant General
Ministry of Finance
Jerusalem

Dear Sirs,

We, [] [insert name of bank], hereby establish our irrevocable Guarantee Number [] in your favour and for the account of [insert name of Concessionaire] (the "Concessionaire") in the amount of NIS 100,000,000.- linked to the Israel Consumer Price Index published by the Central Bureau of Statistics of the State of Israel known on 1 June 1996 available immediately.

This Guarantee is available, in whole or in part, by your sight drafts on us, referring to our Guarantee Number [], accompanied by your certificate stating that the amount of your draft is owed to you in accordance with the Concession Contract dated [] between the State of Israel and the Concessionaire (the "Concession Contract"). Capitalised terms used herein and not defined herein shall have the meaning assigned to them in the Concession Contract.

We hereby agree that drafts under this Guarantee shall be duly honoured on demand upon first presentation thereof together with the certificate referred to above without further proof or conditions and without set off or deduction and free and clear of any fees or taxes notwithstanding any claims, demands or objections by the Concessionaire or by ourselves or by any other party whatsoever.

We shall be entitled to rely and shall rely upon your certificates presented hereunder and shall be under no duty to nor shall we under any circumstances whatsoever inquire into the matters referred to in any such certificate or into the terms of the Concession Contract or any other circumstances, matters or documents. We shall accept your certificates as conclusive evidence of the statements made therein.

We hereby waive any right we may have of first requiring you to pursue your legal remedies against the Concessionaire and waive notice of acceptance hereof, of any action taken or omitted in reliance hereon and of any failure to comply with the terms of the Concession Contract. We hereby agree that our obligations under this Guarantee are direct, primary, unconditional, irrevocable obligations and that the Concession Contract may be modified, amended and supplemented without our consent in any manner and agree that no such modification, amendment or supplement shall release, effect or impair our liability under this Guarantee.

The benefit of this guarantee may be assigned by you in whole or in part.

משרד האוצר - החשב הכללי
של טלמון

התורה והפיקה ישראל להחלטה נע"מ
4/10

התורה והפיקה ישראל להחלטה נע"מ
משרד האוצר

DERECH EREZ HIGHWAYS 1997 Ltd
C.I.D 512/79/20/3



The forfeiture of part of the Guarantee will not impair the validity of the part that has not been forfeited.

This Guarantee is effective as of the date hereof. This Guarantee shall remain in effect until the end of the Concession Period and until we receive from you a letter certifying that the Concessionaire has fulfilled all of its undertakings under the Concession Contract. You shall return this Guarantee to us immediately upon such discharge.

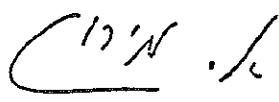
IN WITNESS WHEREOF, we have caused this Guarantee to be executed by one or more of our officers thereunto duly authorized on this ____ day of _____, 19__.

[Insert complete name of the bank]

By
Name:
Title:

משרד האוצר - החשב הכללי	
 ד גרשונוביץ	 שי טלמון

DERECH ERETZ HIGHWAYS (1997) Ltd
C.I.D 51247520/3



אפריקה ישראל
להשקעות בע"מ