

## ANNEX 1 (PROJECT DESCRIPTION)

The Government of Israel ("GoI"), is currently developing the Jerusalem Light Rail Transit Network which is intended to include the Red Line, the Red Line Extensions and the Green Line all as further described herein and indicated on the City map attached hereto as **Annex 1** (the "J-Net"). At a later stage, the J-Net may be expanded to include the Blue Line.

In formulating its policy with respect to the public transportation in Jerusalem, and subject to the exercising of the "buy-back" of the Red Line, as described below, the GoI intends that the J-Net will be operated by a single operator.

- 1) **The Red Line** –The Red Line is an LRT route which connects Mount Herzl, the Jerusalem City Centre and Pisgat Ze'ev. Pursuant to a tender process for the design, financing, construction, operation and maintenance of the Red Line, in 2002 the GOI entered into a BOT agreement with Citypass Ltd. The Red Line has been used by the public since August 2011.

The Red Line is comprised of 13.8 km of tracks, includes 46 fully motorized 100% low floor vehicles, a depot and an OCC facility located at the French Hill. In addition, there are 23 stops along the Red Line route. To date, the Red Line serves more than 140,000 passengers on a regular day.

A map of the Red Line is attached hereto as **Annex A**.

In order to implement its policy with respect to the public transportation in Jerusalem, the GoI intends to exercise its contractual right of a "buy-back" of the Red Line pursuant to the Red Line BOT Agreement. Without derogating from the foregoing, and subject to the terms and conditions of the Tender Documents, it is expected that the operation and maintenance of the Red Line will be included in the scope of work of the Successful Bidder under the current Tender Process, following the exercising of the "buy-back" of the Red Line.

It is expected that the Tender Documents will include additional information with respect to the issue described above, including the expected schedule thereof.

- 2) **The Red Line Extensions** – During 2013, the Red Line extension routes, were approved by the authorized planning committees, and preparations for the execution thereof have been started along the routes. The Red Line Extensions intend to include the following additional routes:
  - (i) **The Neveh Yaakov route** – 2 km of "at grade" tracks, from Pisgat Ze'ev (Kheil ha-Avir) to Neveh Ya'akov along dedicated routes at Moshe Dayan Blvd and Neveh Ya'akov Blvd, including 4 additional stops.
  - (ii) **The Hadassah route** - 4.7 km of "at grade" tracks from Arthur Hantke, Henrietta Szold, on a dedicated track-way between Ora Junction and the

entrance to the Hadassah hospital campus, and on the south and west parts of the Hadassah ring road, including 8 additional stops.

- (iii) **The Givat Ram route** - 1.1 km of "at grade" tracks from the central section of the Red Line intended to line the Hebrew University campus at Givat Ram, including 2 additional stops.

The Red Line extensions are estimated to serve 60,000 additional passengers a day. An expansion of the existing depot at the French Hill is intended to increase the stabling capacity by 28 vehicles and provide for an additional stabling area at the north side of the extension at Neveh Yaakov which will include stabling capacity of 26 vehicles will be required.

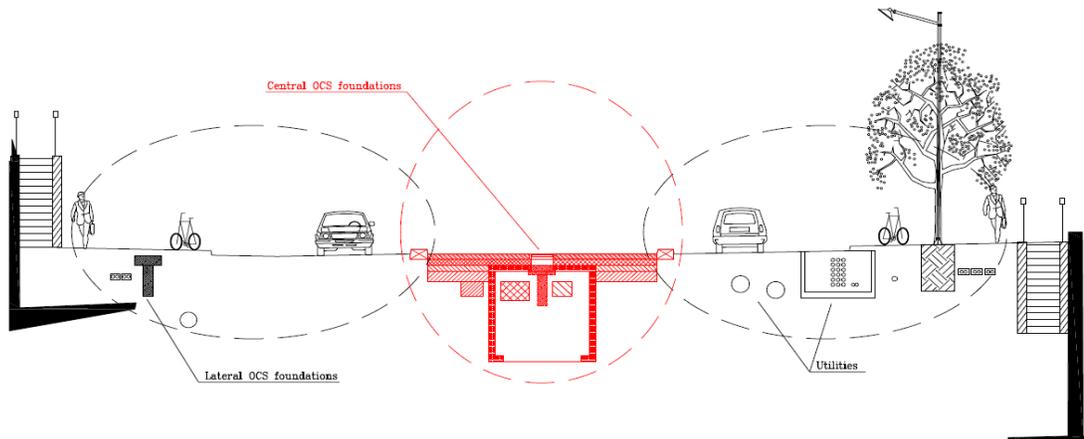
A map of the Red Line which includes Red Line Extensions is attached hereto as **Annex B**.

Over the past few years the GoI conducted negotiations with Citypass Ltd., with the aim of advancing the execution of the Red Line Extensions. The negotiations are currently in an advanced stage and should they materialize into an agreement, Citypass Ltd. will execute the Red Line Extensions. Under such circumstances, the Red Line Extensions shall be operated and maintained either by Citypass Ltd. or shall be included in the scope of work of the Successful Bidder under the current Tender Process, in accordance with the provisions of the Tender Documents.

Should the negotiations not materialize into an agreement by June 15<sup>th</sup>, 2017, the GoI will consider, subject to the limitations described above and the terms and conditions of the Tender Documents, to include the execution, operation and maintenance of the Red Line Extensions in the scope of work of the Successful Bidder under the current Tender Process, in accordance with the provisions of the Tender Documents.

It is expected that the final decision with respect to the performance of the Red Line Extensions shall be issued to the Participants during the Pre-Qualification Process.

Please note that the GoI is currently preparing the detailed design (including the issuance of the relevant building permits), of all civil infrastructure (CWE) works of the Red Line Extensions, and has commenced the execution of the first part of such works (the "**Infra I Works**" or the "**GoI Extensions Works**", as graphically demonstrated in black in the diagram of a typical cross section). It is therefore expected that, even if the execution of the Red Line Extensions will be included in the scope of work of the Successful Bidder under the current Tender Process, the GoI Extensions Works will not be part of the scope of work of the Successful Bidder under the current Tender Process.



A typical cross section, for illustration only

Should the negotiations not materialize into an agreement (as described above), it is expected that the scope of work of the Successful Bidder under the current Tender Process will include the Concessionaire Works (as graphically demonstrated in red in the diagram of a typical cross section) with respect to the Red Line Extensions, and that the Tender Documents will include additional information, including with respect to the interfaces and allocation of risks with respect to the issues described above.

- 3) **The Green Line** – On January 2017 the route of the Green Line was approved by the authorized planning committee. The planned Green Line includes 18.3 km of "at grade" tracks, from Mount Scopus to Gilo, including 33 stops, with 2 additional branches:
- (i) **The Malcha route** – includes 1.4 km of "at grade" tracks to the commercial and residential areas of Malcha, including 4 stops;
  - (ii) **The Givat Shaul route (also known as Har-Nof section)** - 2 km of "at grade" tracks, which will link the neighbourhoods of Givat Shaul and Neveh Yaakov by using shared sections of the Red Line, including 4 stops.

The planned Green Line will include an additional depot and OCC facilities located at Lot 25, as indicated on the City map attached hereto as Annex 1, which is intended to serve as the main depot (primary OCC) of the J-Net and will include stabling capacity for 48 vehicles. Following the completion of the OCC facilities located at Lot 25, the depot at the French Hill will serve as a secondary OCC for the J-Net.

It is expected that the Green Line, will serve 160,000 additional passengers a day, and that, as part of the scope of work of the Successful Bidder under the current Tender Process approximately 100 additional vehicles will be required to serve the needs of the J-Net.

A map of the Green Line which includes the Red Line and the Red Line Extensions is attached hereto as **Annex C**.

The GoI is currently preparing the detailed design (including the issuance of the relevant building permits), of all civil infrastructure (CWE) works of the Green Line, and intend to execute the first part of such works (the "**Infra I Works**" or the "**GoI Green Line Works**", as graphically demonstrated in black in the diagram of a typical cross section). It is therefore expected that the GoI Green Line Works will not be part of the scope of work of the Successful Bidder under the current Tender Process.

It is expected that the scope of work of the Successful Bidder under the current Tender Process will include the Concessionaire Works (as graphically demonstrated in red in the diagram of a typical cross section) with respect to the Green Line, and that the Tender Documents will include additional information, including with respect to the interfaces and allocation of risks with respect to the issues described above.

- 4) **The Blue line** – a route of 20.3 km of tracks between Malha and Ramot with a 2 km underground section runs between Jaffa Street and Bar Ilan, is planned as the Blue Line. The Blue line includes a branch to Talpiot neighbourhood and an optional branch on the Hebron Road.

The Blue line will include an additional Depot & OCC facilities located at Malcha or Gilo, an estimated of 100 vehicles and 40 stops.

The Blue Line is expected to serve 160,000 additional passengers a day. The Participants are advised that the Government is currently in the process of obtaining the required statutory approvals for the Blue Line. Additional information and the division of responsibilities will be provided in the Tender Documents.

A map of the Blue Line which includes the Green Line, the Red Line and the Red Line Extensions is attached hereto as **Annex D**.

The scope of work of the Successful Bidder under the current Tender Documents is **not** intended to include the finance, design and/or construction of the Blue Line, however, it may include an option to purchase additional operational services which may be provided by the Successful Bidder as part of the J-Net.

It is expected that the Tender Documents will include additional information with respect to the issue described above, including the expected schedule thereof.

#### 5) **Additional General Information**

For additional information the Participants are referred to following website:  
[www.jlrt.org.il](http://www.jlrt.org.il)

#### 6) **Project's Scope and General Information**

The Project aims at connecting the South of Jerusalem to its North and greatly improving the public transportation availability to the city's main residential neighbourhoods and commercial areas. With a fully operational J-Net (together with the Blue Line), 50% of Jerusalem house-holds will have convenient access of no more

than 500 meters to an LRT stop.

Without derogating from the generality of the provisions of Section 9.10 (Reservation of Rights) of the Invitation, it is expected that the Project's scope will include:

- (i) financing for the Project (other than GoI Works);
- (ii) design of the Successful Bidder's scope of work;
- (iii) design and construction, of the Green Line (other than with respect to the GOI Green Line Works), including but not limited to:
  - Surveys, studies and all detailed design works;
  - Construction of the Green Line;
  - Supply and installation of all system works;
  - Manufacture, supply and acceptance into commercial service of all vehicles;
  - Construction of the depot and stabling facilities; and
  - Management, coordination and integration of all construction works.
- (iv) following the exercising of the "buy-back" of the Red Line, acceptance of the Red Line (including all assets thereof), and the operation and maintenance of the then existing assets of the Red Line.
- (v) following the exercising of the "buy-back" of the Red Line, construction (if applicable), of the Red Line Extensions (other than with respect to the GOI Extensions Works), including but not limited to:
  - Surveys, studies and all detailed design works;
  - Construction of the Red Line Extension;
  - Supply and installation of all system works (including, if required and subject to the exercising of the "buy-back", with respect to the Red Line);
  - Manufacture, supply and acceptance into commercial service of all vehicles;
  - Construction of the depot and stabling facilities; and
  - Management, coordination and integration of all construction works; and
- (vi) The gradual operation and maintenance of the Red Line Extensions and the Green Line. It is currently expected that the duration of the operation phase's shall be approximately 15-20 years from commercial operation of the Green Line.