

IMPLEMENTATION AGREEMENT 2

BETWEEN

THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA

AND

THE MINISTRY OF NATIONAL INFRASTRUCTURE OF THE STATE OF ISRAEL

/ -

FOR COOPERATION IN THE FIELD OF ELECTRIC AND HYBRID BUSES

WHEREAS, the Department of Energy of the United States of America (hereinafter referred to as "DOE") and the Ministry of National Infrastructure of the State of Israel (hereinafter referred to as "MONI"). signed an Agreement for Cooperation in the Field of Energy on 22nd Feb., 2000 (hereinafter referred to as the "Agreement");

WHEREAS, the DOE and MONI (hereinafter referred to as the "Parties") recognize the importance of exchanging information, experience and points of view regarding the research, development and demonstration on electric and hybrid buses;

The Parties agree to enter into this Implementation Agreement in accordance with Article V of the Agreement.

ARTICLE I

SCOPE

The Parties agree to cooperate in a manner which will facilitate exchange of information and joint activities in the field of electric and hybrid buses. The cooperation will include, but may not be limited to, the following tasks:

1. Two similar buses will be retrofitted in the United States, one with Electric Fuel advanced zinc-air batteries developed in Israel (this can be the bus being built by Nova, General Electric Co. and Electric Fuel and funded by the Federal Transportation Administration), and the other using battery systems developed by DOE.
2. The two buses will be tested in an urban transportation service in the United States for an agreed period of time.
3. After the tests in the U.S. are completed, the buses will be shipped to Israel for testing in an urban bus route in Israel, probably by "Dan Coop. Society for Public Transport Ltd."
4. The technical and financial details of the project (including the configuration and the specifications of the buses and the schedule of the tests) will be discussed and agreed between technical experts from both sides.
5. The results of the tests will be analyzed and evaluated by experts representing the Parties.
6. Next steps of this collaborative effort will be negotiated by the Parties after the evaluation of the test results is completed.

ARTICLE II
MANAGEMENT

The DOE Assistant Secretary for Renewable Energy and Energy Efficiency shall be responsible for the programmatic aspects of this Implementation Agreement for DOE. MONI designates the Ministry of Transport to be responsible for the programmatic aspects of this Implementation Agreement.

Each Party shall designate one Program Coordinator to supervise activities under this Implementation Agreement. These Program Coordinators shall provide technical management and coordination of the activities under the Implementation Agreement.

ARTICLE III
EXPENSES

Each Party shall bear the costs of its activities under this Implementation Agreement unless otherwise agreed to in writing.


ARTICLE IV
GENERAL PROVISIONS

Cooperation under this Implementation Agreement shall be subject to the terms and conditions of the Agreement which are hereby incorporated by reference.

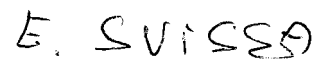
ARTICLE V
TERM

This Implementation Agreement shall terminate in five years, or upon expiration of the Agreement, whichever comes first. It may be amended or extended by mutual written agreement of the Parties.

Done at Jerusalem, this 22nd day of February, 2000.



**FOR THE DEPARTMENT OF
ENERGY
OF THE UNITED STATES OF
AMERICA**



**FOR THE MINISTRY OF
NATIONAL
INFRASTRUCTURE
OF THE STATE OF ISRAEL**