



The Government of Malta

Concession Agreement

Between

**The Government of Malta
“Grantor”**

And

**Marsa Race Track Limited
“Grantee”**

2019

CONCESSION AGREEMENT FOR THE DESIGN, DEVELOPMENT, CONSTRUCTION AND OPERATION OF THE HORSE RACING TRACK IN MARSA

An Agreement signed this <> day of <> of the year two thousand and nineteen ([] [] 2019) (the “**Concession Agreement**” or the “**Agreement**”) between:

The Parties

Of the first part:

- 1) **The Government of Malta**, duly represented by Dr. Francis Fabri, holder of identity card numbered 0571574(M), duly authorised by a Minute number in the files of The Ministry for Education and Employment, acting for and on behalf of the Government of Malta (hereinafter referred to as the “**Grantor**”);

And

- 2) **Marsa Race Track Limited** a company registered and incorporated in Malta with registration C number eight zero zero nine six (C80096) and having its registered address at 254, First Floor, Regency House, Republic Street Valletta VLT 1114 represented here on by _____, (holder _____ as duly authorised by virtue of a resolution of the Board of Directors of the company annexed to this deed as **Annex A.**(hereinafter referred to as “**Grantee**”);

(The Grantor and the Grantee shall hereinafter also individually be referred to as each “**Party**” and collectively as the “**Parties**”).

PREAMBLES

- A. Whereas** the Grantor is desirous of realizing, in collaboration with the private sector, a modern equestrian centre, stabling facilities and other ancillary facilities within the ‘Marsa Horse Racing Track’ and with this aim in mind, on the 19 June 2015, the Government, acting through the Privatisation Unit, issued a Request for Proposal in connection with a Concession for the Design, Development, Construction and Operation of the Horse Racing Track in Marsa (hereinafter referred to as the “**RFP**”) inviting interested parties to submit their proposals;
- B. Whereas** the shareholders of the Grantee, acting as a consortium (“**MRTL Consortium**”), proceeded with submitting its proposal in response to the RFP (as defined herein);
- C. Whereas** an Evaluation and Adjudicating Committee was appointed to assist the Privatisation Unit in the technical and financial evaluation and assessment of all proposals submitted to it in response to the RFP;

- D. Whereas** following the technical and financial evaluation and assessment of the Proposal made by the Evaluation and Adjudicating Committee, the Privatisation Unit, acting on behalf of the Government, identified the MRTL Consortium as the preferred bidder;
- E. Whereas** in the light of the benefits which the development of the Marsa horse racing track in accordance with the Proposal and the terms herein would potentially generate for the Maltese economy and particularly the economic activity associated with horse racing and the equine industry in general and other ancillary activities, the Government has, on the recommendation of the Privatisation Unit, decided to enter into discussions and negotiations with the Grantee with a view to reaching an agreement on all commercial, technical and legal aspects of the Project to be reflected in one or more agreements thereby regulating the concession subject of the RFP;
- F. Whereas** on the 22 March 2017 the Grantor and the Grantee signed a Memorandum of Understanding (“MOU”) whereby they have crystallized their understanding and agreement on certain matters whilst continuing discussions and negotiations in connection with other matters relating to the Concession;
- G. Whereas** the Site is currently mainly used as a horse racing track and the Parties are highly conscious of the need to maintain a balance between ecologically friendly development, low-density, high-quality build and achieve sustainable development for the benefit of the Maltese economy and community, the Grantee is proposing, through this environmental friendly project, to develop and operate the horse racing track at Marsa to the highest quality standards comparable to an international horse racing track. The Project will also incorporate an open area and educational family park and modern facilities to be used for polo, dressage, show jumping and horse shows competitions;
- H. Whereas** the Parties have now reached an agreement to ensure that no revenue or capital support for the development and operation of the Site, other than such revenue or capital support which is available to undertakings in terms of applicable law, will be required from the Government, and to maximise the benefits to the Maltese economy through increased investment, employment prospects and business operations;
- I. Whereas** the Parties have now reached an agreement to ensure that the horse racing programme continues while works are being conducted on the Site;
- J. Whereas** the Grantee agrees and accepts that it shall be precluded from using the Site to build residential development;

- K. Whereas** Grantee has reached an agreement with ENEMALTA and Transport Malta in connection with their respective rights within the area identified as the Roof and Bus Depot Area, respectively as reflected in the Deed of Emphyteusis;
- L. Whereas** the Parties have now reached an agreement on all legal, technical, financial and commercial matters in connection with the Concession and are desirous of crystallising their agreement by means of this Concession Agreement and the Deed of Emphyteusis.
- M. Whereas** the terms and conditions herein and the publication of the Deed of Emphyteusis have been approved by means of the Parliamentary Resolution dated the in accordance with the provisions of the Government Land Act (Chapter 573 of the Laws of Malta);
- N. Whereas** the Planning Authority has granted the Grantee an outline development permit approving the Expected Development;
- O. Whereas** Grantee accepts that the Site is granted on a temporary emphyteutical basis under the terms and conditions set forth in this Agreement and the Deed of Emphyteusis signed concurrently with this Agreement today;

NOW THEREFORE, THE PARTIES HAVE AGREED TO ENTER INTO THIS AGREEMENT TO REFLECT AND RECORD THEIR AGREEMENT IN CONNECTION WITH THE CONCESSION.

1 Definitions

In this Agreement, unless otherwise expressly stated or the contrary intention appears and in addition to any other definitions contained elsewhere in this Agreement, the following terms have the meanings respectively assigned to them below:

“Building” means a permanent structure forming an enclosure and the term **“Buildings”** shall be construed accordingly;

“Building Permits” means the permit/s for the full development of the Site and approved plans issued by the PA for the Development of the Site, including all approved amendments and/or modifications made thereto and any future amendments and/or modifications (including additional plans) as approved by the PA;

“Bus Depot Area” means the area within the Car Park Area which shall be used by Transport Malta, or any other authority as the Grantor may deem appropriate, as a bus depot as better described and shown in Green in the attached plan marked as **Annex B**;

“Car Park Area” means the area hatched in red as identified in **Annex C** measuring at least nine thousand five hundred and thirty square meters (9,530m²);

“Certificate of Completion” means the certificate issued by the Grantee’s Architect and counter certified by the Grantor’s Architect in accordance with clause 6.6 and clause 6.7 of this Agreement and confirming a Complete State;

“Complete State” means that the entire Project, or part thereof as the case may be in accordance with the terms of this Concession Agreement, is developed and completed in full compliance with the Building Permit/s, the Development Laws and the specifications and requirements emanating therefrom and is in a state of readiness and fit for use in accordance with the Permitted Use and in accordance with the standards, specifications and requirements as determined by the Authority;

“Components” means the different areas identified in Clause 6.8 and the term **“Component”** shall mean any one of such Components;

“Companies Act” shall mean the Companies Act, Chapter 386 of the Laws of Malta;

“Concession” means the concession to set-up, operate and manage the Site and the rights which shall be granted by the Grantor to the Grantee over the Site by title of temporary emphyteusis subject to the terms hereof and the Deed of Emphyteusis for the purposes of implementing the Project;

“Concession Agreement” means this Concession Agreement regulating the Concession signed concurrently with the Deed of Emphyteusis;

“Deed of Emphyteusis” means the deed in terms of which the Grantor shall grant unto the Grantee the Site by title of temporary emphyteusis in accordance with the terms and conditions outlined therein;

“Development” means any and all buildings, facilities and amenities, fixtures and fittings constructed and/or installed on or under the Site and in general all movables and immovable things forming part of the Project;

“Development Laws” means the Development Planning Act (Chapter 552 of the Laws of Malta), as may be amended from time to time and all applicable laws, subsidiary legislation, bye-laws and regulations in respect of buildings in general, including sanitary and environmental matters;

“Development Infrastructure” means the infrastructure within the Site required strictly in connection with the Project, and includes road networks (both pedestrian and vehicular) networks for water, electricity, sewerage, electrical and electronic transmissions, communication and reception systems but excludes any Excluded Infrastructure;

“Development Permit/s” means a development permit/s issued by the Planning Authority in terms of Article 71(2) of the Development Planning Act (Chapter 552 of the Laws of Malta) and/or any and all other permits and authorization required by applicable laws and regulations, validly and definitively issued without being subject to any form of quasi-judicial/judicial review;

“Enemalta” means the public limited liability company bearing the name Enemalta p.l.c registered and incorporated under the laws of Malta with company registration number C six five eight three six (C65836) and having its registered office situated at Triq Belt il-Hazna, Marsa, MRS 1571, Malta;

“Environmental Laws” means the Environment Protection Act (Chapter 549 of the Laws of Malta) as may be amended from time to time and all applicable laws, subsidiary legislation, bye-laws and regulations in respect of environmental matters;

“Excluded Infrastructure” means infrastructure works within the Site which are required not solely for the Project but are to serve other purposes;

“Effective Date” means the date of this Concession Agreement and the date of publication of the Deed of Emphyteusis;

“Expected Development” means the development (including all excavation and construction work) which the Grantee expects to carry out for the implementation of the Project;

“Financial Offer” is the upfront payment to be made by the Grantee in terms of clause 7 and clause 10;

“Force Majeure” means any act, event or circumstance which is beyond the reasonable control of a Party, including but not limited to acts of God, war, civil commotion, fire, flood or other calamity, strike, riot, lockout or other industrial disturbance, terrestrial or extraterrestrial interference, blockade, insurrection, action, order, direction, judgement, which makes that party's performance of its obligations under this contract impossible, or so impractical as to be considered impossible under the circumstances;

“Government” means the Government of Malta and/or its successors in title and/or the *dominus* of the Site and/or its successors in title;

“Grantee’s Architect” means the architect or architects whom the Grantee shall engage for the purposes of the Project and to the extent required under this Agreement;

“Grantor’s Architect” means the architect or architects whom the Grantor shall engage for the purposes of the Project and to the extent required under this Agreement;

“Ground Rent” means the ground rent payable by the Grantee to the Grantor as established in, and in accordance with the terms of, the Deed of Emphyteusis and as referred to in Clause 8, Clause 9 and Clause 10 hereof;

“Group Company” means a body corporate which is a parent company, subsidiary, associated, affiliated and/or related entity of the Grantee, and/or in any way, whether directly or indirectly, owned by the same beneficial owners of the Grantee;

“Immovable Property” means all buildings, structures, developments, infrastructure, facilities, installations, and other improvements, now existing, or which in the future shall exist, within the boundaries of the Site, whether installed, constructed or erected on, in or under the Site or which otherwise appertain to the Site but to the extent only that they are considered immovable things in terms of the Civil Code, Chapter sixteen (16) of the Laws of Malta;

“Malta” means the Republic of Malta as defined in the Constitution of Malta;

“Polo Club/s” is an organisation that organises the game of polo in Malta which organisation is registered in the Register of Sport Persons as a sport person with SportMalta and is duly recognised as a sport person in terms of the Sports Act (Chapter 455 of the Laws of Malta) and other applicable laws;

“Malta Racing Club” is the official organisation which is legally appointed by the Race Course Control Board under the Race Course Betting Ordinance (Chapter 78 of the Laws of Malta);

“Outline Development Permit” means a permit issued in terms of Article 71(2)(a) of the Development Planning Act (Chapter 552 of the Laws of Malta);

“Parties” means the parties to this Agreement (each a **“Party”**);

“Performance Security” means the irrevocable and unconditional bank guarantee issued by the Grantee in favour of the Grantor in terms of clause 26;

“Permitted Use” means the use of the Site as specified respectively in clause 6 of this Agreement;

“Planning Authority/PA” means the Planning Authority set up in terms of the Development Planning Act (Chapter 552 of the laws of Malta) and any other authority which has or which may from time to time have the function to issue or sanction real estate and other development permits in Malta;

“Project” means the development and operation of an international horse racing facility and shall include a track for pony racing, a training area, a pitch to be used for polo games, modern facilities to be used for dressage, show jumping and horse shows competitions, stables to accommodate local and visiting horses, a paddock area to be used by all equestrian competitors, a spa facility for horses, a main grandstand designed in a way to offer diverse options to horse enthusiasts, support facilities which include race track equipment like machinery, big screen and photo finish facilities, judging offices, filming facilities, media centre, first aid clinic and equipment and dope testing facilities, open area and educational family park, Club House facilities for the Malta Racing Club, the Polo Club (if there is, at any point in time, more than one Polo Club, the different Polo Clubs will share the same club house facilities) and the Malta Equestrian Federation, commercial facilities which may include retail outlets, offices, food and drink outlets, leisure and assembly (or similar gaming and betting uses), child-care and parking facilities, as well as other ancillary, supporting and/or secondary facilities;

“Proposal” means the proposal submitted by the MRTL Consortium in response to the RFP;

“Qualifying Shareholding” means a direct or indirect shareholding in a company representing five percent (5%) or more of the share capital issued by such company or a direct or indirect five percent (5%) or more attaching to the issued share capital of a company or similar interest in an entity (corporate or otherwise) or any shareholding or other similar interest in a company or entity (corporate or otherwise) that makes it possible to exercise significant influence over the management of the company or entity. The term **“Qualifying Shareholder”** shall be construed accordingly;

“Racecourse Betting Ordinance” means the Racecourse Betting Ordinance (Chapter 78 of the Laws of Malta);

“RFP” shall have the meaning assigned to it under Preamble A;

“Roof” shall mean the roof of the upper most floor of the development within the Car Park Area measuring approximately six thousand five hundred and sixty square meters (6,560m²), as better described and shown in red on the attached plan which is being marked as **Annex D**.

“Site” means the portion of land shown in red on the site plan annex to this agreement as **Annex E** measuring circa one hundred and eighty-eight thousand nine hundred and thirty square meters (188,930m²) with the amenities constructed thereupon including their airspace and sub-soil and shall include the car parking area;

“Specified Rate” means eight per cent (8%) per annum;

“Temporary Emphyteutical Grant” means the temporary emphyteutical title over the Site to be granted by the Grantor to the Grantee in terms of the Deed of Emphyteusis subject to the terms therein;

“Term” means the term of Concession as set out in clause 5 of this Agreement;

“Termination” means the date stated or otherwise determined in terms of clause 27 of this Agreement, whichever date shall be the later to occur;

“Transferee” shall have the meaning assigned to it in this Agreement;

“Transfer of Business (Protection of Employment) Regulations” means Subsidiary Legislation 452.85 of the Laws of Malta;

“Transport Malta” means the authority responsible for transport in Malta, or any other authority, entity, or corporation, as the Grantor may establish for such purposes;

“Ultimate Beneficial Owner” means the natural person who ultimately owns and/or controls the Qualifying Shareholder/s of the Grantor and/or its successors in title and the term “Ultimate Beneficial Ownership” shall be construed accordingly;

“Undesirable Person” shall have the meaning assigned to it in clause 13.

2 Interpretation

2.1 In this Agreement, unless otherwise expressly stated or the contrary intention appears:

- a) words importing the masculine gender shall include the feminine gender and vice-versa and words importing the neuter gender shall include the masculine and the feminine gender;
- b) references to a Preamble, Part, heading, section, clause, paragraph, document or schedule is to a Part, section, clause, paragraph, document or schedule of or annexed to this Agreement;
- c) references to a person include references to any person, whether natural or legal and whether registered or not and whether incorporated or unincorporated, and includes (without limitation) an undertaking;
- d) any reference to any law shall be deemed to include any amendment, replacement or re-enactment thereof for the time being in force and to include any subordinate legislation, legal notices, rules, regulations, orders, notices, directions, consents or permissions (together with any conditions attaching to any of the foregoing) made thereunder;
- e) any reference to any right or reservation exercisable by or for the benefit of any Party will be deemed to include the exercise of such right or reservation by any person or persons authorised by such Party, and further, such right or reservation may be exercised with agents, employees, professional advisers, workmen, contractors and others;
- f) reference to any authority established by law shall be deemed to refer to (i) the said authority irrespective of any change in the name of the authority and (ii) to any other authority or authorities which by operation of law shall replace and/or take over all or part of the powers and functions of that authority;
- g) The RFP shall be deemed to form and be read and construed as part of this Agreement and therefore the terms and conditions established therein meant to regulate the Concession shall, except to the extent lawfully excluded or modified hereby and/or in the Deed of Emphyteusis, also be construed as forming part of the terms and conditions governing the Concession and the Emphyteutical Grant. In the event of any conflict between the following documents comprising or forming part of the Concession Agreement, the order of priority shall be: (i) Concession Agreement (ii) Deed of Emphyteusis (that is, for present purposes, the notarial deed proper, without the appendices); (iii) the RFP; (iv) and the Proposal;
- h) Without prejudice to the immediately preceding paragraph, unless otherwise agreed, the Deed of Emphyteusis and the terms and conditions established therein shall supersede and all negotiations, understandings, discussions, memoranda and agreements whether verbal or written as may

have taken place or may have been reached between the Parties prior to the Deed of Emphyteusis;

- i) the headings in this Agreement are inserted for convenience only and do not affect the construction hereof;
- j) the documents, annexes, schedules and/or plans attached hereto shall be construed to form an integral part of this Agreement and reference to this Agreement shall be construed as including a reference to the said documents, annexes, schedules and plans.

3 Concession to Set-Up, Operate and Manage the Site

- 3.1 The Grantor is hereby granting to the Grantee, which hereby accepts, the Concession for the Term in accordance with the terms and subject to the conditions outlined in this Concession Agreement.
- 3.2 Upon the Effective Date, the Grantee shall guarantee and honour all current employment contracts whether definite or indefinite, full time, part time or casual, oral or in writing, in any form, including the employees' conditions of employment, of employees currently employed with the Malta Racing Club, as listed in **Annex F** to this Agreement (the "**Current Employees**").
- 3.3 As soon as practicable after the Effective Date, the Current Employees shall be transferred to the Grantee, or to a Group Company as the Grantee may determine.
- 3.4 The Grantor declares and confirms that the Current Employees have been informed of the transfer contemplated in clause 3.3 above in terms of the Transfer of Business (Protection of Employment) Regulations and have been provided with the written statement as set out in the Transfer of Business (Protection of Employment) Regulations at least fifteen (15) days prior to the date of this Concession Agreement. The Grantor further declares and confirms that the Director responsible for employment and industrial relations has been provided with a copy of such written statement on the same day the Current Employees were notified.
- 3.5 The Grantee shall observe industrial and employment regulations in particular Chapter 452, Employment and Industrial Relations Act and any Subsidiary Legislation emanating therefrom.
- 3.6 The Grantor confirms and warrants that the Marsa racecourse is an approved racecourse in terms of the Racecourse Betting Ordinance and that the Grantee shall, as from the Effective Date, be licensed to use the Marsa racecourse as an approved racecourse in terms of the Racecourse Betting Ordinance (Chapter 78 of the Laws of Malta). Provided that in the light of the legislative amendments which shall see the regulation of gaming taking place within the Site falling within the scope of the Gaming Act (Chapter 583 of the Laws of Malta) and no longer regulated by the Racecourse Betting Ordinance (Chapter 78 of the Laws of Malta) in accordance with Article 59 of the Gaming Act (Chapter 583 of the Laws of Malta), the

Minister responsible for the gaming sector, by virtue of the authority granted to it by Article 11 of the Gaming Act (Chapter 583 of the Laws of Malta), grants as part of the concession granted in terms of this Concession Agreement, with effect from the date Article 59 of the Gaming Act (Chapter 583 of the Laws of Malta) comes into effect in accordance with subparagraph (4) of the said Article 59 and for the Term, to the Grantee a concession to operate gaming premises within the Site limitedly to offer pool betting and fixed-odds betting, both based solely on the result of sporting events, through the use of gaming devices limited to such gaming verticals, as part of the Project. The Grantor and Grantee agree that such a concession is, in terms of the same article 11 of the Gaming Act (Chapter 583 of the Laws of Malta), without prejudice to the requirement of the Grantee to acquire and retain the necessary authorisations from the Malta Gaming Authority, and subject to such requirements and conditions as may be imposed according to the Gaming Act (Chapter 583 of the Laws of Malta) and the regulatory instruments, as defined therein, issued under it. The Grantee acknowledges and accepts that any other gaming operations or services (other than fixed-odds betting and pool-betting activities on sporting events offered through the use of gaming devices, as specified in this proviso with respect to which a concession is being granted) taking place within the Site shall not form part of the concession granted to the Grantee in terms of this Concession Agreement and shall be categorised in accordance with the provisions of the Gaming Act (Chapter 583 of the Laws of Malta) and the regulatory instruments issued thereunder, and shall require the necessary authorisation from the Malta Gaming Authority accordingly.

- 3.7 The Grantor confirms and warrants that, as from the Effective Date, no other person, entity, club and/or authority, has any rights whatsoever (including but not limited to carrying out betting activities within the Site, whether in the form of fixed odds betting, sweepstakes, or pool betting through the use of a Totalisator) over the Site and operation thereof and that the Grantee shall have exclusive rights over the Site and operation thereof, in accordance with the terms and subject to the conditions outlined herein and in the Deed of Emphyteusis.
- 3.8 The Grantor shall cooperate and collaborate with the Grantee to ensure a smooth transition and operation of the Site, including but not limited to the horse racing operations, unto the Grantee.

4 Temporary Emphyteutical Grant

- 4.1 As of the Effective Date, the Grantor and the Grantee shall enter into the Deed of Emphyteusis whereby the Grantor is granting to the Grantee, by title of temporary emphyteusis, the Site, to be used by the Grantee for the implementation of the Project under the Concession for the Term.

5 Term

- 5.1 Unless terminated earlier pursuant to the terms of the Concession Agreement and the Deed of Emphyteusis, the Concession is being granted by the Grantor to the Grantee, which accepts, for a period of sixty five (65) years commencing on the Effective Date.

6 Site Permitted Use, Design, Build and Development

- 6.1 The Grantee agrees and accepts that the Project shall consist of the development and operation of an international horse racing facility and shall include a track for pony racing, a training area, a pitch to be used for polo games, modern facilities to be used for dressage, show jumping and horse shows competitions, stables to accommodate local and visiting horses, a paddock area to be used by all equestrian competitors, a spa facility for horses, a main grandstand designed in a way to offer diverse options to horse enthusiasts, support facilities which include race track equipment like machinery, big screen and photo finish facilities, judging offices, filming facilities, media centre, first aid clinic and equipment and dope testing facilities, open area and educational family park, Club House facilities for the Malta Racing Club, the Polo Club (if there is, at any point in time, more than one Polo Club, the different Polo Clubs will share the same club house facilities) and the Malta Equestrian Federation, commercial facilities which may include retail outlets, offices, food and drink outlets, leisure and assembly (or similar gaming and betting uses), child-care and parking facilities, as well as other ancillary, supporting and/or secondary facilities. Any material variation in the use of the Site will require the prior written approval of the Grantor.
- 6.2 The Grantee shall engage a qualified, experienced and competent project manager who has undertaken projects of similar magnitude to manage the implementation of the Project.
- 6.3 The Grantee agrees and accepts that it shall be precluded from using the Site to build residential development. Moreover, the Grantee binds itself to use the Site solely in relation to the Project.
- 6.4 The Grantee undertakes to carry out all works relating to the design, build and development of the Project at its own risk and cost in compliance with all applicable required and issued Development Permits, Development and Environmental legislation and in full respect of all other applicable legislation.
- 6.5 The Grantee will be responsible for all the works related to the Development Infrastructure and will finance all such works. Provided that the Grantor shall ensure that the Site is fully and appropriately serviced by all the appropriate infrastructural works and services, up to the boundary of the Site as may be required for the Project.
- 6.6 The Grantee shall ensure that the Grand Stand area and horse racing track area is in a Complete State within eighteen (18) months from the issuance in favour of the Grantee by the respective authorities of all relative permits, licenses and authorisations, including the Development Permit/s or in four (4) years from the signing of the Concession Agreement and the Deed of Emphyteusis. The Complete State shall be evidenced by means of a Certificate of Completion.
- 6.7 The Grantee shall ensure that the other Components not mentioned in the immediately preceding paragraph shall be in a Complete State within twenty-four (24) months from the issuance in favour of the Grantee by

the respective authorities of all relative permits, licenses and authorisations, including the Development Permit/s, or four (4) years from the signing of the Concession Agreement and the Deed of Emphyteusis. The Complete State shall be evidenced by means of a Certificate of Completion.

- 6.8 The Parties agree that when constructed the Project at minimum shall consist of the following:
- a) Horse racing track area that extends to circa one [1] mile one [1] furlong with a straight sprint track of nearly four [4] furlongs. This site with circuits and its multi-functional surface shall allow all racing disciplines (including trotting races, galloping races and pony racing).
 - b) The Polo pitch area which measurements are not less than the existing area and provided that the pitch is in conformity to the Federation of International Polo (FIP) Regulations. The Polo pitch must also be boarded in conformity with the FIP Regulations and must be provided with flood lighting conforming to CIBSE LG 4: Sport, 1990 standard or to such standard as is commonly used for such sport.
 - c) The Grand Stand area which complies with international recognised safety and viewing standards including grandstand gangways, entrances and exits (vomitories) and tunnels, press boxes and other amenities. The Grand Stand shall have a minimum capacity of around three thousand four hundred (3,400) spectators, with a seating capacity of one thousand five hundred (1,500), which seating capacity may be expanded according to exigencies.
 - d) The Grantee shall, inter alia, use the Car Park Area for the development of car parks intended for parking vehicles. The Car Park Area shall also play a dual role in green law by achieving specific site planning and environmental goals.
 - e) The Equestrian facilities area shall include an educational and family park, horse training area, a paddock with a cantilevered roof over the track servicing the paddock subject to architect's final design, a horse SPA, doping protocol facilities, stables, adequate number of jockey showers and changing rooms facilities, and equipment storage, camera van lane and judges track of at least five (5) meters wide, amongst other amenities.
- 6.9 The Grantee shall bear any and all costs and expenses, whether ordinary or extraordinary, that may be necessary or desirable in connection with the Permitted Use as prescribed herein, and in accordance with the Grantee's rights over the Site, the Grantee shall be entitled to retain all revenues generated from the development and operations of the Project.

- 6.10 The Grantee shall be solely responsible for the maintenance, repairs (ordinary and extraordinary) and upkeep of the Site and all Immovable Property thereon including the Development Infrastructure.
- 6.11 The Grantee undertakes to continue to operate the Site for the duration of this Concession, subject to what is hereunder further stipulated and agreed.
- 6.12 No other use is permitted in respect of the Site other than the Permitted Uses unless otherwise expressly approved and agreed in writing by the Grantor, which approval and agreement cannot be unreasonably refused if the proposed operations are compatible activities or are in the interest of the Project in accordance with the objectives set out in the RFP.
- 6.13 All permits required for the development of the Project and its operation including any Development Permits and, approvals, authorisations, licenses and permits shall the responsibility of the Grantee.

7 Horse Racing Track Site Financial Offer

- 7.1 The Temporary Emphyteutical Grant shall be made in consideration of the payment by the Grantee in favour of the Grantor of an upfront payment (the "Financial Offer") amounting to one hundred thousand Euro (€100,000) as set forth in clause 7.1 of the Deed of Emphyteusis. The Financial Offer is being paid by the Grantee to the Grantor on the date of publication of the Deed of Emphyteusis.

8 Horse Racing Track and Adjoining Facilities Area–Ground Rent and other obligations

- 8.1 The Grantee shall also pay unto the Grantor an annual ground rent, as set forth in clause 7.2 of the Deed of Emphyteusis, amounting to one hundred thousand Euro (€100,000) payable annually in advance. The Ground Rent shall be revisable upwards as from the fifth (5th) year of the Emphyteutical Grant (to be calculated as having commenced on the date of publication of the Deed of Emphyteusis), and every fifth (5th) year thereafter. The Ground Rent fee shall be so increased by fifteen percent (15 %) on the Ground Rent then current or by the accumulation of the official Retail Price Index for the five (5) years in question, whichever shall be the higher.
- 8.2 The Ground Rent shall be paid by the Grantee without demand, deduction or set-off unless otherwise agreed to in writing by the Grantor.
- 8.3 Interest at the Specified Rate shall automatically accrue without the need of any other formality, judicial or otherwise, on the Ground Rent and any other sums due and remaining unpaid by the Grantee. Such interest shall accrue on the daily balance of the sum due with effect from the due date up to the date of effective payment.
- 8.4 In order to secure the payment of the Ground-Rent due as well as the proper performance of the other obligations arising from the Deed of Emphyteusis, the Grantor shall on the Deed of Emphyteusis reserve in its favour the special privilege and special legal hypothec in terms of Article 2010 and

Article 2022 of the Civil Code (Chapter 16 of the Laws of Malta) respectively.

9 Commercial Complex Area–Ground Rent and other obligations

9.1 Six hundred and fifty thousand Euro (€650,000) payable annually in advance for the area defined in clause 11.2 of the Deed of Emphyteusis. Provided that until the commercial complex is fully operational or until the end of the fifth (5th) year from the Deed of Emphyteusis, whichever occurs first, the annual ground rent shall be one hundred and thirty thousand Euro (€ 130,000) per annum, paid annually in advance. Provided further that in the event that the commercial complex is fully operational prior to the end of the fifth (5th) year, the next payment of annual ground due shall be six hundred and fifty thousand Euro (€ 650,000) less the amount of ground rent payments which would have already been paid in the previous years. Thereafter, the annual ground rent shall be six hundred and fifty thousand Euro (€650,000), payable annually in advance.

9.2 The Ground Rent shall be revisable upwards as from the fifth (5th) year commencing from the first payment of six hundred and fifty thousand Euros (€650,000) and every fifth (5th) year thereafter. The Ground Rent fee shall be so increased by fifteen percent (15 %) on the Ground Rent then current or by the accumulation of the official Retail Price Index for the five (5) years in question, whichever shall be the higher.

The Ground Rent shall be paid by the Grantee without demand, deduction or set-off unless otherwise agreed to in writing by the Grantor.

9.3 Interest at the Specified Rate shall automatically accrue without the need of any other formality, judicial or otherwise, on the Ground Rent and any other sums due and remaining unpaid by the Grantee. Such interest shall accrue on the daily balance of the sum due with effect from the due date up to the date of effective payment.

9.4 In order to secure the payment of the Ground-Rent due as well as the proper performance of the other obligations arising from the Deed of Emphyteusis, the Grantor shall on the Deed of Emphyteusis reserve in its favour the special privilege and special legal hypothec in terms of Article 2010 and Article 2022 of the Civil Code (Chapter 16 of the Laws of Malta) respectively.

10 Car Park Area Financial Offer–Ground Rent and other obligations

10.1 The Grantor and the Grantee have identified a parking site that will be transferred by the Grantor to the Grantee by title of temporary emphyteusis, for a period of sixty-five (65) years in connection with the Project as per RFP Section 25.2.

10.2 The Grantee shall pay to the Grantor as set forth in clause 7.1 of the Deed of Emphyteusis a further sum amounting to one hundred thousand Euro (€100,000) as an upfront payment (the “**Financial Offer-Car Park**”) on the date of publication of the Deed of the Emphyteusis.

- 10.3 The Grantee shall also pay unto the Grantor as set forth in clause 7.2 of the Deed of Emphyteusis an annual ground rent (the “**Ground Rent-Car Park**”) amounting to ten thousand Euro (€10,000) payable annually in advance during the first three (3) years and thereafter shall be increased to fifty thousand Euro (€50,000). The Ground Rent shall be revisable upwards as from the fifth (5th) year of the Emphyteutical Grant (to be calculated as having commenced on the date of publication of the deed of Emphyteusis), and every fifth (5th) year thereafter. The Ground Rent fee shall be so increased by fifteen percent (15 %) on the Ground Rent then current or by the accumulation of the official Retail Price Index for the five (5) years in question, whichever shall be the higher.
- 10.4 The Grantee binds himself to provide parking facilities with a minimum capacity of one thousand two hundred (1,200) parking spaces.
- 10.5 The Grantee binds itself to provide parking spaces free of charge for horse owners trailers and vehicles participating in the events during race days.
- 10.6 The Grantee binds itself to service the car parking area with elevators in accessing all floors.

Rights to be granted to Enemalta

- 10.7 The Grantee agrees and accepts that once the development within the Car Park Area is constructed and developed, Enemalta shall, for the Term, enjoy exclusive rights to install photovoltaic panels, including their supporting structures, on the Roof in accordance with the terms set forth in the Deed of Emphyteusis.

Rights over the Bus Depot Area to Transport Malta

- 10.8 The Grantee agrees to grant, by title of temporary sub-emphyteusis in favour of Transport Malta, for the Term, the Bus Depot Area under the terms set forth in the Deed of Emphyteusis.

11 Undertaking by Malta Race Track Ltd

- 11.1 In the light that the Government will be setting up an Authority which will take up the functions, inter alia, of MRC, the Grantee undertakes to comply with any laws, rules and regulations which shall apply to the Grantee as an operator of the Marsa Race Course.
- 11.2 The Grantee acknowledges that as Regulator, the MRC (or any Authority set up in its stead) shall employ starters, stewards, dope testing personnel, paddock officers, a racing manager and administrative staff. In accordance with the terms of the RFP, the Grantee shall reimburse to the MRC (or any Authority set up in its stead) the costs of the services being provided by the aforementioned personnel. For such purpose, the Grantee shall, unless otherwise agreed, pay the following:
- a. An annual fixed fee which shall be payable in advance by the Grantee to the Authority and this annual fee shall not be lower than one hundred thousand Euros (€100,000) per annum. Any amount over and

above the one hundred thousand Euros (€100,000) per annum will be payable against valid documentation and shall be paid by the Grantee within one (1) month from presentation. Provided that until such time as the Grand stand area has reached a Complete State, the Grantee shall advance the reimbursement of such costs (pro rata to the costs incurred) as mentioned in this clause 1 every quarter; and

- b. A fee of not less than two thousand five hundred Euros (€2,500) per race meeting payable by the Grantee to the Authority; and
 - c. With reference to paragraph (a) and (b) above, the said fees shall be increased yearly at the rate of three per cent (3%) commencing a year after the date when each payment becomes due.
- 11.3 The Grantee shall establish and determine the Prize monies for race meetings in consultation with the Authority. The Grantee shall be responsible for the payment of the Prize monies and shall ensure that it complies with any and all laws, rules and regulations that may be imposed on it by MRC (or the Authority set up in its stead) in relation to the payment thereof, which may include the requirement to deposit (6) months prize monies not later than the December of the previous years as well providing bank guarantees in favored MRC (or the Authority set up in its stead) and lodged with the MRC (or the Authority set up in its stead) by not later than December of the previous year.
- 11.4 The Grantee undertakes that the sum of the prize money shall not be less than four hundred and twenty eight thousand Euro (€ 428,000) and shall increase, as a minimum by ten per cent (10%) once the racetrack is operational which term shall not exceed eighteen (18) months from the issuance of the relevant building permits issued by the Planning Authority, and by a further three per cent (3%) per annum thereafter.
- 11.5 The Grantee agrees to provide the MRC (or any other Authority set up in its stead) with an office space to be identified by the Grantee following discussions with the MRC and which, unless otherwise agreed, shall measure circa 450 square metres (internal area) and shall be fully furnished, with lift and accessible to disabled people. The allocated office space to the Authority by the Grantee shall be standalone and have four (4) car parking spaces. The Authority will relinquish its rights over the current MRC Club House which is currently located at the historical building, subject to the issuance of relevant PA permits of the office space that will be allocated to the Authority.
- 11.6 In the event that the Parties do not agree on particular activities that require their joint contribution, the matter shall be referred to a Technical Board to settle the dispute for the particular racing season only.
- 11.7 The Technical Board shall be composed of three (3) persons, all of whom shall be competent and experienced in equestrian racing events. The First Party and the Second Party shall each submit the names of three persons one of who will represent the Party naming it on the Technical Board. If the First party or the Second Party fail to submit the names as aforesaid within five (5) working days from the date when the referral was made, the Government of Malta shall submit the names of the three persons.

- 11.8 Each of the Parties shall appoint one (1) member from its list of persons named to the Technical Board and the two (2) members appointed by Party 1 and Party 2 shall choose and appoint the third member of the Technical Board. The third member does not need to be appointed from the list of names submitted by Party 1 and Party 2.
- 11.9 If the persons appointed by Party 1 and Party 2 fail to agree on the appointment of the third member of the Technical Board within five (5) days from the appointment of the said two members appointed by Party 1 and Party 2, the third member shall be selected and chosen by ballots from the remaining persons in the lists provided by Party 1 and Party 2 in terms of Clause 3.02 above.
- 11.10 One validly constituted, the Technical Board shall have the power to regulate and set its own procedure and determine the racing programme to be followed provided that the Technical Board shall make its final decision as soon as practicable and in any event within five (5) days from the date of its valid constitution as aforesaid. The costs and expenses of such determination shall be borne by Party 1 and Party 2 equally. The Technical Board would be constituted and hence empowered to determine a dispute for only a particular racing season.
- 11.11 The Parties agree that the race entry fees shall be determined at the sole discretion of the Authority.

12 Polo

12.1 The Grantee is hereby undertaking and obliging itself to:-

- i. allow the MPC and its members to use the Polo Pitch on Mondays, Wednesdays and Saturdays between the first (1st) day of September to the fifteenth (15th) day of June hereinafter referred to as "Polo Playing Days". It is being specifically agreed that the Polo Pitch shall not be used by the MPC on Sundays. MRTL and the MPC shall collaborate and work closely to devise and set out a schedule of events to be held on the Polo Pitch site during Polo Playing Days, which whilst ensuring that the MPC can efficiently and effectively organise, hold and manage its Polo season and any related events and activities, would allow MRTL to realise its project namely that of a multi-disciplinary equine facility and event centre for sport enthusiasts and families. Moreover, MRTL undertakes to honour all Polo Tournament events which the MPC has been organising over the years provided that details and dates of these Tournaments are communicated by the MPC to the MRTL six (6) months prior to the start of the Polo season, that is, six (6) months prior to the first (1st) week of September of each year. Notwithstanding the above, the Parties agree that MRTL shall be entitled to take up a maximum of twelve (12) Polo Playing Days (not being Polo Tournament events) in any Polo season to be split as follows: eight (8) Polo Playing Days between October and the fifteenth (15th) day of June and four (4) Polo Playing Days during the month of September to utilize at its full discretion. In the eventuality that MRTL were to make use of any Polo Playing Days, as aforesaid, MRTL shall inform MPC at least twelve (12) weeks in advance. MRTL may request to MPC the use of the Polo Pitch on other Polo Playing Days if commercial and

organisational exigencies so dictate the grant of which request shall be in the discretion of the MPC, which grant shall not be unreasonably withheld, and provided further that alternative days are granted by MRTL to MPC in substitution of the Polo Playing Days so made use of by MRTL. MRTL shall ensure that necessary safety measures are taken if and when activities are carried out by the MRTL during the Polo Playing Days.

- ii. ensure that the polo pitch shall have an adequate surface to permit the game of polo to be played in accordance with the RFP document. The Grantee shall be responsible to seed, grow and mature the polo pitch with *Cynodon Dactylon* or other similar grass as the Grantee deems fit, provided that if it results that the grass surface is not fit for purpose, the Grantee would have the right to revert to the surface which is currently being used by the MPC and this after discussing with MPC and subject to Government's approval;
- iii. be responsible for the general upkeep and preventive maintenance of the polo pitch including its irrigation and watering;
- iv. Ensure that the polo pitch forming part of the Site shall also contain: (a) pony lines to accommodate a minimum of sixty (60) horses and (b) a safety and exercise area better defined as a cinder track;
- v. ensure that necessary safety measures are taken if and when activities are carried out during the same time that Polo is being practiced;
- vi. use its best endeavours to prevent any person from having access to the polo area whilst this is being used by the MPC and its members;
- vii. In view of the fact that the use of the polo pitch shall be suspended for a period of circa nine (9) months when the laying of the surface of the Polo Pitch is being executed. The Grantee undertakes to use its best endeavours, in consultation with the MPC, to identify an alternative area which may be used by MPC as a practice field on those occasions and instances when the works related to the development of the Project are being executed and undertaken, if such is not possible the Grantee agrees that the MPC may, during such times as the Grantee shall identify, use the race track to exercise their horses;
- viii. allow the use by MPC of the stewards' lane surrounding the polo area by the members of the MPC and its grooms as long as this use does not interfere with the racecourse activities of the Grantee or any other bona fide activities which may be programmed and/or organised by the Grantee;
- ix. Ensure that there shall be unrestricted, pre-determined fixed points of access for players, spectators, horses and any materials or supplies used in polo activities to access the polo pitch. These shall be identified and determined by the Grantee in consultation with the MPC;
- x. Any use of the polo pitch by the Grantee as part of its commercial activities shall be made at the Grantee's exclusive responsibility and the Grantee undertakes to ensure that all measures are taken to

ensure that the surface is adequately protected and hence that it does not sustain any damage. The Grantee undertakes not to use the polo pitch as a paddock area, a grazing area, or for lunging and/or parking.

- xi. The MPC shall have the right to seek and obtain sponsorships for its polo events and activities and to retain the proceeds from such sponsorships. Such advertising material will only be used for the duration of the tournament and can only be placed within the polo pitch and facing the Club House (if applicable) without the consent and approval of the Grantee. The Grantee shall have the right to impose such reasonable terms and conditions as it deems fit in relation to any advertising on the surroundings of the pitch, which advertising would require its prior approval or consent;

12.2 The Grantee shall furthermore grant the use of a Club House to the MPC which shall also be subject to the following restrictions, terms and conditions:

- i. The Grantee shall provide an area of circa 190 square meters which area shall be in a basic finished state namely with tiling throughout, with plastering, double glazing apertures, electricity points and water connection. The Grantee shall not have the obligation to furnish the area allocated to the MPC as a Club House. Subject to any and or permits, authorisations and licences being obtained from the relative authorities, the Grantee anticipates that the first floor of the area indicated in the attached plan marked shall be the area that will host the MPC club house;
- ii. The utilities to the MPC club house shall be procured and installed by the Grantee and shall be registered in the name of the MPC, as occupier with respect to the area allocated to the MPC as the MPC club house. The Grantee shall not be responsible and shall not bear any costs relating to the consumption resulting from these utilities. The Grantee shall have the right to request MPC to bear such cost associated with its consumption of these utilities;
- iii. The Grantee agrees that the MPC shall have exclusive and unrestricted use and operation of that area allocated to it as Club House, as a place where it organises and holds activities and events for its members in accordance with all applicable laws and regulations this may include a duly licenced bar and restaurant. Provided that the Grantee shall not in any way be responsible for the application, the obtainment, the maintaining of any and or licences, authorisation and or permits that may be required for the bar and the restaurant including the payment of the relative fees. The Grantee shall have the right to request MPC to assume such responsibilities and bear any and all related and resulting costs and expenses. Provided further that in the event that the MPC decides to have the bar and restaurant, the Grantee shall provide to the MPC a lease agreement regulating the grant of a leasehold title with respect to the bar and restaurant area, which agreement shall, inter alia, set forth the commercial terms and the duration (as applicable to restaurants in the restaurant area of the Project), provided that in such circumstances the rent shall be the market rent rate as applicable to

the other restaurants within the Project but discounted by fifty per cent (50%);

- iv. The Grantee shall be entitled to request from the MPC an annual contribution in the sum of ten thousand Euros (€10,000), excluding VAT, if applicable, towards the maintenance costs of the polo pitch and the said amount will increase every year in accordance with and proportionately to the increase of the Retail Price Index. Subject to agreement reached between the Grantee and the MPC regarding the nature and extent of expenses linked to the maintenance of the Polo Pitch, the MPC shall contribute a further fifty per cent (50%) of such expenses incurred by the Grantee in connection with the maintenance of the polo pitch. If no agreement is reached regarding the sharing of these expenses as aforesaid, then the parties shall apply a dispute mechanism which will be agreed on.

12.3 Furthermore, the Grantee shall make a pavilion area available for viewing of polo to all club members and friends at no cost during the Polo Tournament events.

12.4 The Grantee shall be entitled to include in the agreement with the MPC a provision which would grant to the MPC a grace period of ninety (90) days, from the service of a notice by registered mail sent by the Grantee to the MPC, to remedy any breach by the MPC of any terms and conditions of the agreement between the MPC and the Grantee. In the event that any such default is not remedied by the MPC within the above mentioned time frame, the agreement between the MPC and the Grantee shall terminate ipso jure and the Grantee shall be entitled to request the MPC to vacate the polo pitch and the Club House within a period not exceeding thirty (30) days. The Grantee shall be entitled to hold the MPC responsible and liable to any damages which may be incurred by the Grantee as a result of the MPC's default.

Provided that if the nature of the breach is such that more than ninety (90) days are reasonably required for its cure, and provided that the MPC commences such cure and diligently prosecutes it to completion without interruption or delay within the ninety (90) days, the Grantee shall grant an additional reasonable time frame within which the MPC is to remedy the default.

12.5 In the event that the Polo Pitch is not available to the members of the MPC due to damage caused or unavailability of the pitch as a result of bad maintenance (not resulting, directly or indirectly, from any act/omission of the MPC) or damage through the utilisation of the pitch by the Grantee, MPC shall be entitled to remedy the damage itself, if after giving a seven (7) day written notice to the Grantee no remedial action has been taken by the latter within the seven (7) day written notice period. The Grantee shall give access to the MPC to bring in the necessary equipment to remedy the damages and to enable MPC to practice the sports of Polo. The Grantee accepts that the MPC may claim reimbursement of all the expenses incurred by it, from the Grantee.

12.6 In the event that the polo pitch is damaged and hence is not available to the members of the MPC as a result of the use made by the members of the MPC, the Grantee shall have the right to include a

provision in the agreement between the MPC and the Grantee, to request the MPC to remedy any damage caused by its or its members within a reasonable time at the MPC's exclusive expense.

12.7 The Grantee agrees that it may request from the MPC a consideration for the use of the polo field which shall not exceed the sum of one thousand two hundred and fifty Euro (€ 1,250) per annum.

13 Undesirable Person

13.1 An undesirable person means a person who has been convicted by a Maltese Court or tribunal of a crime, wherever committed:

- a) against the safety of the Government in terms of articles fifty five (55) to fifty-nine (59), both articles included, of the Criminal Code, Chapter nine (9) of the Laws of Malta (in this deed referred to as the "**Criminal Code**"), or
- b) against public safety in terms of articles three hundred and eleven (311) to three hundred and seventeen (317), both articles included, of the Criminal Code, or
- c) specified in the Schedule to the Extradition Act, Chapter two hundred and seventy six (276) of the Laws of Malta, and for a term of imprisonment of more than three (3) years;
- d) against the Prevention of Money Laundering Act, Chapter three hundred and seventy three (373) of the Laws of Malta;
- e) in violation of the articles three hundred and seven (307) to three hundred and fifteen (315) (both articles included) of the Companies Act, Chapter three hundred and eighty-six (386) of the Laws of Malta (in this deed referred to as the "**Companies Act**") and in violation of article one hundred and ninety-one (191) of the Criminal Code;
- f) against Sub-Titles IVA and B of Title IX of Part II of Book First of the Criminal Code;
- g) against the laws or by the courts of another country with respect to the crimes substantially equivalent to those specified in paragraphs a, d, and e above.

13.2 is the subject of sanctions or restrictions issued by the United Nations, the European Union or other international governmental body of which Malta is part and which are adopted or applied by the Government in terms of the National Interest (Enabling Powers) Act, Chapter three hundred and sixty-five (365) of the Laws of Malta and / or other applicable law, and this for such time as such sanctions remain in force.

- 13.3 is the subject of an international arrest warrant or of a European Arrest Warrant or is otherwise wanted by INTERPOL or other equivalent trans-national police organisation, and this for such time as he so remains.
- 13.4 is insolvent or bankrupt and unable to pay his debts as they fall due.
- 13.5 being a legal entity, the director or other officer or the controlling shareholder of which is:
- a) an Undesirable Person, or
 - b) in case of a director or officer, disqualified to be a director of a company in terms of the Companies Act or of a similar law of a jurisdiction of which the director or officer is a national or resident and this for as long as such person remains so disqualified.

14 Transfer of the Concession- Sub-Concessions–Assignment of Rights – Change in Control

- 14.1 Except as provided in clause 12.4 herein, the Grantee may not, without the prior written consent of the Grantor, transfer, dispose of, alienate or otherwise assign the whole or any part of the Site, to a person other than a Group Company, under any title whatsoever, including but not limited to (i) a transfer of the *utile dominium* enjoyed over the Site or (ii) granting of a sub-emphyteutical title, assignment, lease, possession, operation or management agreement or similar arrangement or granting and/or constituting in favour of third parties (other than a Group Company) any personal or real right over the Site, or part thereof.
- 14.2 Any prospective transfer of rights as aforesaid over the Site which the Grantee wishes to effect shall be notified to the Grantor three (3) months in advance for its approval. The Grantor may request the Grantee to provide information on the prospective Transferee/s with a view to ascertain whether such person is an Undesirable Person and the Grantee undertakes best endeavours to provide the Grantor with the requested information promptly and without delay. In such case the Grantor shall have the right to object to a transfer as aforesaid only in the event that on the basis of its findings the Grantor deems, acting reasonably, the prospective Transferee/s or any of the Ultimate Beneficial Owners of the Transferee/s is an Undesirable Person. Provided that failure by the Grantor to provide its response within the following time-limits from receipt of written notification from the Grantee of the intended transfer of rights shall be deemed an approval:
- (i) Sixty (60) working days in case where some or all of the Ultimate Beneficial Owners of the proposed transferee are non-Maltese residents;
 - (ii) Thirty (30) working days where all the Ultimate Beneficial Owners of the proposed transferee are Maltese residents.

- 14.3 The Grantee shall upon request by the Grantor make available to it copies of any agreements referred to in clause 12.1 above within three (3) months from such request. The Grantor undertakes to keep confidential and not disclose the contents of such agreements to any third parties unless it will be compelled to do so by any public authority or court order.
- 14.4 Notwithstanding the provisions of clause 12.1 above, the Grantee may grant leases, operation agreements, management agreements or other similar rights over any part of the Site and this exclusively for the purposes of the Permitted Use.

Provided that no such lease, operation agreements, management agreements or other similar rights may be granted with respect to the horse racing track and other equine sport activities or to a single third party over the whole Site, other than to a Group Company. In the event that the company is no longer a Group Company, then any such lease, operation agreement, management agreement or other similar rights so granted shall terminate with immediate effect, unless otherwise expressly agreed by the Grantor in writing.

Provided further that leases, operation agreements, management agreements or other similar rights may only be made subject to the following terms and conditions, namely, they shall:

- (a) The duration of the agreement shall not exceed the Term;
 - (b) The terms of the agreement shall not conflict with the terms hereof;
 - (c) The transferee and the Ultimate Beneficial Owners thereof shall not be Undesirable Persons; and
 - (d) Not be entered into for any illicit purposes or contrary to public policy.
- 14.5 Any change in the shareholding structure of the Grantee resulting in a change in majority control of the Grantee shall be deemed an indirect transfer of the Concession and the provisions of the preceding sub-clauses of this clause 14 shall *mutatis mutandis* apply. Provided that for the purposes of this sub-clause 14.5, reference to "majority control" shall mean the direct or indirect ownership or right to exercise (directly or indirectly) the majority of the shareholders' voting rights in the Grantee, the right to exercise (directly or indirectly) a dominant influence over the Grantee through the right to appoint or remove (directly or indirectly) the majority of the members of the board of directors of the Grantee: for the purposes of this definition, the provisions of the Ninth Schedule to the Companies Act (Chapter 386 of the Laws of Malta) shall apply *mutatis mutandis*.

14.6 Upon a transfer *in toto* of the Concession to a third party, either through a direct transfer or through a transfer of majority control in the Grantee (which transfer would require the consent of the Grantor in terms of clause 12.1 above), the following shall apply:

- a. If transfer of ownership occurs within two (2) years from the signing of the concession agreement a premium of two million and five hundred thousand Euro (€2,500,000) shall be payable by the Grantee to the Grantor;
- b. If transfer of ownership occurs within five (5) years from the signing of the concession agreement a premium one million and five hundred thousand Euro (€1,500,000) shall be payable by the Grantee to the Grantor;

Provided that the premiums above mentioned shall be payable when the transfer of the Concession (or the transfer of majority control in the Grantee) to a third party has been effected.

14.7 Any third party successor in title to all or any part of the Site shall be bound by the same terms and conditions herein.

14.8 Unless the Grantor approves of a transfer *in toto* of the Grantee's rights and obligations arising in terms of the Concession Agreement / Deed of Emphyteusis, the transfer of rights under any title whatsoever shall not exonerate the Grantee from its obligations under the Deed of Emphyteusis with respect to the Site or part thereof subject of such transfer and the Grantee shall remain jointly and severally liable together with the Transferee for the full and due observance of the said conditions.

14.9 Notwithstanding the above, any direct or indirect transfer of shares within the Grantee Company in the first four (4) years, may only be made subject to Government approval, which shall not be unreasonably withheld.

15 Facilities and Standards

15.1 In developing the Site and throughout the Term, the Grantee shall ensure that the Development Infrastructure and the Site in general shall include facilities and amenities and that same shall be maintained and operated in such a way as to provide a high standard of service to the users thereof. The obligation of the Grantee herein shall *inter alia* include the following:

- (a) undertake all reasonable endeavours to maintain high levels of customer satisfaction;
- (b) preserve and maintain all facilities in a safe, serviceable and efficient condition;
- (c) carry out a continuing programme of maintenance and repair

activities on the equipment, fixtures and fittings which will ensure that all facilities are at all times in good working order and in a serviceable condition;

- (d) ensure that all structures are inspected frequently for deterioration and, where necessary, carry out repairs or replacements;
- (e) affect all routine repairs including replacement and enhancement of equipment and systems necessary for the efficient and adequate operation of the various facilities;
- (f) adopt and periodically update a high standard of environmentally-friendly energy saving solutions and sustainable use of resources;
- (g) establish adequate rules covering sanitation, security, accessibility, sustainable energy and resource use and conservation, crowd control and fire protection;
- (h) comply with all safety, sanitary and security standards in accordance with applicable laws;
- (i) maintain all facilities at an adequate standard including housekeeping and cleaning, decor and their availability to customers.

16 Maintenance and Repairs

16.1 The Grantee shall throughout the Term keep the Site and the Development at all times well maintained and in a good state of repair according to law and to the satisfaction of the Grantor, acting reasonably, at its own risk, cost and expense. The Grantee shall carry out *inter alia*:

- (a) all preventive and remedial maintenance as may be necessary in accordance with applicable law and internationally recognized industry standards; and
- (b) all ordinary and extraordinary repairs; and
- (c) on the termination of the Emphyteutical Grant by lapse of time or on the dissolution of the Emphyteutical Grant for any other reason, the Grantee shall relinquish and/or return the Site and the Development without any compensation and/or in a good state of repair and operation, fair wear and tear excepted. Any damage occurring not only through ordinary causes but also through fortuitous, extraordinary and unforeseen circumstances or by Force Majeure (excluding those events which are not customarily insurable perils at the time of the occurrence of such circumstance), shall be made good by the Grantee which shall be

bound to repair, reconstruct or replace (as the case may be) the damaged part of the Site and/or Development at its own expense.

- 16.2 The Grantor may once every five (5) years from the date of this publication of the Deed of Emphyteusis, request the Grantee to compile and present to it a condition report in respect of the maintenance and upkeep of the Development.
- 16.3 It is agreed and understood that the maintenance and upkeep obligations relating to such parts of the Site the *utile dominium* to which is transferred to a third party in accordance with the terms of stipulated herein, shall vest in such third parties.

17 Permits, Licences and Authorisations

- 17.1 The Grantee shall be responsible for applying and obtaining any and all licences, permits and authorisations as may be required in connection with the Development, the Management Areas and to operate the various Components, facilities and amenities therein.
- 17.2 The Grantor shall, to the extent permissible by the Laws of Malta and good governance, and within its powers as direct owner, cooperate with the Grantee in obtaining all necessary planning and other permits and authorisations required for the implementation of the Project.

18 Compliance with Law

- 18.1 The Grantee shall, at its sole cost and expense, comply with all legislation, rules, regulations, and administrative orders applicable in Malta, now in force, or which may come into force during the Term as these may be applicable to the Site and its operation and management in general, and shall faithfully observe all conditions included in all licences, permits and authorisations issued to the Grantee or relating to the Development.
- 18.2 The Grantor shall, to the extent permissible by the Laws of Malta and good governance, and within its powers as direct owner, cooperate with the Grantee for the implementation of the Project.

19 Obligations and Charges Imposed by Law on Owners

- 19.1 The Grantee shall be bound to comply with and to carry out any obligation or duty imposed by law on the owners of buildings or lands and this according to what is stated in Article 1507 of the Civil Code (Chapter 16) of the Laws of Malta.

20 Investment and Financing

- 20.1 The development of the Project, with the exclusion of the Commercial Complex mentioned in Clause 9 of this Concession Agreement, is estimated to require an investment of a minimum of circa twenty-eight million Euros (€28,000,000). The Grantee is

committing to invest a minimum of twenty-four million Euros (€24,000,000) on sport facilities. The Grantee shall be responsible for financing the Project and to this end undertakes the following:

- (a) that it shall at all times be adequately financed partly via equity and/or partly via debt (in the form of shareholder loans or third party finance - which cannot exceed forty percent (40%) of the total investment cost) to complete the Project and to maintain the Development to the levels required in terms of the conditions set in this Agreement; and
- (b) No support (other than such support as is available to undertakings under the laws of Malta), financial or otherwise shall be requested from the Government of Malta and/or any public authority/governmental entity;

20.2 The Grantee shall increase the current authorised share capital of one hundred thousand Euros (€100,000) to six million Euros (€6,000,000) divided into six million (6,000,000) ordinary shares of €1 each on the signing of the Deed of Emphyteusis.

20.3 The Grantee shall not grant or create or suffer to subsist any security interests, whether by way of privilege, hypothec (whether general or special) or other real right, over the Site or any part thereof except:

- (a) for the purpose of obtaining financing through a licensed credit or a licensed financial institution, or through the issuance of instruments by the Grantee and/or Group Company, for the purpose of and subject to the proceeds from such funding being utilized for the Project as set out herein;
- (b) for the purpose of securing its obligations in favour of the Grantor in terms of this agreement;
- (c) by operation of law; or otherwise
- (d) on such parts or the whole of the Site for such purposes as the Grantor may in its sole and absolute discretion otherwise consent in writing.

20.4 Save as permitted under this agreement, no security interest shall be created over the Site by way of suretyship or for the purpose of guaranteeing any third party obligation or liability. It is agreed and understood however that "third party obligations" shall not be deemed to include obligations entered into by the Grantee for the purposes of or in connection with the development and/or operation of the Project.

21 Antiquities/ Finds

21.1 The Grantee shall give immediate notice to the Grantor and to the competent authorities of the discovery of any trace of objects or monuments of local antiquarian or archaeological importance (including but not limited to all old remains such as caves, tombs,

wells, stonewalls, pottery, coins, bones and other objects of a similar nature) on the Site. Any such find shall *ipso facto* become the site of the Grantor.

- 21.2 On obtaining information of each such discovery the Grantor shall have the right to access any part of the Site to which the finds purport to relate, for the purposes of causing the latter to be inspected by any person delegated for the purpose and on ascertaining the existence of such finds, the Grantor shall have the right to rescind the Temporary Emphyteutical Grant in entirety or over such part of the Site subject of the discovery and this on service of notice to this effect on the Grantee by means of a judicial letter. In the event of the rescission of the Temporary Emphyteutical Grant *in toto*, the Grantee shall be reimbursed for any and all costs and expenses incurred by the Grantee in relation to the Project including but not limited to in applying for any Development Permit or any other permits, licences, authorisations required in connection with the development and operation of the Project and for actual cost of any works carried out on any part of the Site. The works shall be valued jointly by the Grantee's Architect and Grantor's Architect. The Grantee shall not be entitled to any further compensation or indemnification.

Provided that in case of disagreement between the Grantee's Architect and Grantor's Architect as to the value of the works the Parties shall endeavour to agree to the appointment of an independent architect who shall be entrusted by the Parties to determine the value of the reimbursed amount payable as aforesaid. The valuation provided by the independent architect shall be final and binding on the Parties who shall therefore be guided thereby.

- 21.3 Provided further that:

- a) The Grantee may nonetheless opt either to retain that part of the Site not affected by such finds with a relative diminution of ground rent or where this is possible and approved by the Grantor following consultation with the competent authorities, integrate such finds within the Site; and
- b) Should action by any competent authority relative to any such discovery, cause any hindrance or delay in the progress of the works in relation to the Project, a pro-rata reduction of Ground Rent for the duration of such hindrance and delay and an extension of all applicable and relative time limits for completion of the works will become effective.

- 21.4 The Grantee shall nonetheless have itself the right to demand the rescission of the Temporary Emphyteutical Grant if it considers that the retention by itself of that part of the Site not affected by the finds with a relative diminution of the Ground Rent or the integration of such finds within the Site would render the development and operation of the Project not economically viable. In such event, the

Grantee shall be entitled to same compensation mentioned and determined in accordance with the provisions of clause 21.2 and it shall not be entitled to any further compensation or indemnification.

22 Government Access Rights

22.1 The Grantee shall permit the Grantor through its appointed representatives, to have access to any part of the Site as well as any Buildings and other structures and facilities constructed thereon at reasonable times and in such a manner as not to disrupt the development and operation of the Project. When requested to do so by the Grantor, the Grantee shall give the Grantor's appointed representatives all possible assistance to enable the Grantor, to verify whether the conditions of the herein are being, or have been complied with.

23 Insurance

23.1 The Grantee shall throughout the of Temporary Emphyteutical Grant, at its expense, take out and maintain in force an insurance policy thereby insuring the Site and all improvements made and assets movable and Immovable property situated thereon, for their full value against loss or damage resulting from fire, lightning, tornado, storm, tempest, floods and explosions, bursting or overflowing of water tanks, apparatus or pipes, earthquakes and volcanic eruptions, subterranean fire, aircraft, impact, riots, strikes, malicious damage and other insurable perils and casualties (unless resulted from terrorist attacks), as are commonly insured against, with respect to properties of a similar type. The Grantee undertakes to keep the sums under this cover updated to reflect the replacement value at all times.

23.2 The Grantee shall throughout the duration of Temporary Emphyteutical Grant, at its expense, take out and maintain in force an adequate insurance policy covering the loss of one year's worth of Ground Rent. The amount of cover shall increase *pari passu* with the increase in the Ground Rent payable by the Grantee to the Grantor.

23.3 The Grantee shall furthermore throughout the duration of the Temporary Emphyteutical Grant, at its expense, take out the following additional insurance covers:

- (a) An all risks insurance cover;
- (b) A public liability insurance cover.

The Grantee shall ensure that all insurance policies provide a cover and insure values adequate considering the type of Development and use of the Site.

23.4 The Grantee shall ensure that the interest of the Grantor qua *directus dominus* is noted on all insurance policies and that the Grantor is entitled to claim under such policies.

- 23.5 The Grantee shall produce copies of all insurance policies taken out or renewed within one month from the date of issuance or date of renewal.
- 23.6 Should the Grantee fail to take out or renew any of the aforementioned insurance covers, the Grantor may at its sole discretion take out such policies and charge the relative expenses to the Grantee.
- 23.7 All insurance covers shall be obtained or placed with a reputable insurance company licensed to write business in the European Union.

24 Indemnity

- 24.1 The Grantee shall at all times keep the Grantor indemnified and held harmless from and against all losses, damages costs, expenses and liabilities arising out of or in relation to any liability arising out of any grossly negligent acts or omissions or willful misconduct of the Grantee in occupying the Site, developing and/or operating the Project.

25 Interest

- 25.1 Any sum due by the Grantee to the Grantor by virtue of any of the provisions of the Emphyteutical Deed shall, if not paid within thirty (30) days from the date due, be due with interests at the Specified Rate of eight percent (8%) which shall run from the date due and until it is so paid.

26 Performance Security

- 26.1 The Grantee shall deliver to the Grantor an unconditional and irrevocable, on-demand bank guarantee (hereinafter referred to as the “**Performance Security**”) in the form prescribed in **Annex H** hereto attached, to be issued by a reputable bank or financial institution (which shall be acceptable to the Grantor), in favour of the Grantor to secure the due and punctual performance of all its obligations under the Deed of Emphyteusis. The Performance Security shall have a value of three hundred thousand Euro (€300,000).
- 26.2 Without prejudice to the any other rights and remedies which may vest in the Grantor in terms of the provisions of the Deed of Emphyteusis and/or its rights at law, should there be an Event of Default as defined in clause 26.1 hereof, then the Grantor shall be entitled to call on the Performance Security and make withdrawals of any sums by way of compensation (in whole or in part) for any loss or damage suffered by it due to the Grantee’s failure.
- 26.3 Whenever the Grantor makes a withdrawal of any amount under the Performance Security, it shall communicate such fact to the Grantee, which shall in turn procure that, by not later than fifteen (15) days from the aforesaid communication, the Performance Security is topped up by the issuing bank, so that the amount thereof is increased by the amount so withdrawn as if no such withdrawal has been made.

27 Termination of the Concession

- 27.1 At the end of the Term or on the earlier termination of the Concession (whichever occurs earlier) for any reason whatsoever, the Site shall, revert back to the Grantor together with any Immovable Property and other improvements appertaining thereto, whatsoever their value, with vacant possession, free and unencumbered, fully operational (to the extent possible in terms of this Agreement) in a good state of repair (fair wear and tear excepted) and unless stipulated otherwise herein the Grantee shall have no right to receive any compensation whatsoever.
- 27.2 Upon termination of the Concession as aforesaid the Grantor shall have the right to take back the operation and management of the Site and any and all Immovable Property and other improvements and any ongoing operations thereon. The Grantee undertakes, to the best of its abilities in the light of its obligations set forth herein, to maintain or procure that the operations carried out from the Site are conducted in such a way as to enable the Grantor to step in and take over same at the end of the Concession without any major disruptions.
- 27.3 During the final year of the Term or in case of earlier termination, as soon as it becomes known to the Grantee that the termination of the Concession is imminent, the Grantee shall cooperate fully with the Grantor in order to ensure the smooth transfer of responsibility of the Site to the Grantor and/or to a third party concessionaire as may be instructed by the Grantor. For this purpose the Grantee shall be responsible to *inter alia*:
- a) provide the Grantor any and all information concerning the Site any and all Immovable Property, movables, fixtures, fittings, and other improvements made thereon, any information about the operations carried out therefrom and in general any and all information as may be required and requested by the Grantor, acting reasonably, to take over from the Grantee and/or to launch a competitive process for a new concession relating to the Site and to ensure the smooth hand over to the new concessionaire;
 - b) all access, as may be reasonably requested and necessary, to the Grantor and/or to prospective concessionaires to all parts of the Site, including Buildings built thereon as well as access to all facilities;
 - c) liaising with the Grantor (within reason) and the new concessionaires and providing reasonable assistance and information about the Site and all improvements and assets thereon and operations carried out therefrom;
 - d) carrying out all necessary acts to ensure that the new concessionaire obtains all rights, title to and interests in the Site, improvements and assets thereon and operations carried out therefrom.

28 Events of Default

- 28.1 The occurrence of one or more of the following events (in this Agreement collectively referred to as the “**Events of Default**” and each one an “**Event of Default**”) shall constitute a default and breach of the Concession by the Grantee and their occurrence shall, save as provided hereunder, entitle the Grantor to dissolve the Emphyteutical Grant and in general the Concession:
- a) if the Grantee fails to pay the Ground Rent for one (1) year or if although it has made part payments in each year, a sum equal in amount to three (3) years’ Ground Rent is still owed to the Grantor whether by way of Ground Rent or interest thereon;
 - b) if, the Grantee fails to complete the Project within the term stipulated; or
 - c) if, the Site is used for any purpose other than the Permitted Use, unless the Grantor has consented in writing to such other purpose; or
 - d) if the Grantee becomes insolvent, a winding up order against the Grantee is made by a Court, a liquidator or provisional administrator is appointed to take over the affairs of the Grantee, a resolution for the voluntary winding up of the Grantee is passed, the application for, or sanctioning by a Court of a compromise or arrangement involving the Grantee in terms of Article 327 of the Companies Act (Chapter 386 of the Laws of Malta); or
 - e) the Grantee fails to obtain any and all required permits to operate the activities intended and permitted from the Site; or
 - f) the Grantee’s failure to punctually and faithfully observing any and all laws and regulations relevant to the development of the Project and the conduct of operations therefrom; or
 - g) the Grantee abandoning the Site. For the purposes of this provision abandoning the Site shall mean if the Grantee ceases works, for no justifiable reason, on the Site for a consecutive period exceeding six (6) months following the issuance of all relative permits, licenses and authorisations from any authority as may be necessary for the implementation of the Project; or
 - h) failure to take out insurance policy covers as stipulated herein; or
 - i) the Grantee ceases operations of the race course for a period exceeding six (6) consecutive months; or
 - j) if the Grantee is in breach of any other material obligation under the Deed of Emphyteusis; or

- k) if the Grantee becomes an Undesirable Person or if, either because of supervening circumstances or if because there is a change in either management or control of the Emphyteuta or in the beneficial ownership of an entity which determines management and control of the Emphyteuta becomes an Undesirable Person; or

Provided that in the event of (a) above the Grantor shall only be entitled to terminate the Concession if the Grantee remains in default for one (1) month after notice of such default is given by the Grantor by judicial letter; in the event of (b) above the Grantor shall only be entitled to terminate the Concession if the Grantee remains in default for six months (6) after notice of such default is given by the Grantor by judicial letter; and in the case of (c) to (k) above if the Grantee remains in default for three (3) months after notice of such default is given as aforesaid.

On the termination of the Concession for any of the reasons above stipulated the rights acquired by a 'bona fide' third party acknowledged or entitled to be acknowledged by the Grantor shall not be in any way affected. Following such termination, any fees, rents or other dues falling due after termination payable by third parties to the Grantor shall on dissolution become the property of the Grantor:

Provided further that in the event of (a) above, if there is any dispute about the amount due, the Grantee shall effect payment of the amount not in dispute and the balance in dispute shall be payable together with interest thereon from the date when the balance was originally due up to the date of effective payment, if such dispute is resolved in favour of the Grantor;

Provided further that the Grantor may terminate this Concession immediately upon the termination of the Deed of Emphyteusis.

- 28.2 Without prejudice to the other provisions of this Agreement, the Grantee waives its right to any compensation arising as a result of the reversion of the Site to the Grantor for any reason whatsoever, including any compensation which would otherwise be due in terms of Article 1523 of the Civil Code of the Laws of Malta.

29 Force Majeure

- 29.1 Neither Party shall be liable for delay in performing or failure to perform any of its obligations if the delay or failure results from Force Majeure. Such delay and/or failure resulting from Force Majeure shall not constitute a breach of this Agreement or of the Deed of Emphyteusis (as the case may be) and the time for performance of the concerned obligation shall be extended by a period equivalent to that during which performance has been prevented by Force Majeure. If the Force Majeure persists and is such that it renders the development and operation of the Project impossible to achieve, each of the Parties shall have the right to be released from its obligations in this Agreement or in the Deed of Emphyteusis. Provided that in such eventuality, the Grantee shall be entitled to be reimbursed the costs and expenses it incurred in relation to the development and operation of the Project in accordance with clause 19.2 above.

30 Waivers

- 30.1 No waiver by any party (the “**Non-Defaulting Party**”) of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by the other party (the “**Defaulting Party**”) of the same or any other breach. The Non-Defaulting Party’s consent to or approval of any act shall not be deemed to render unnecessary the obtaining of the Non-Defaulting Party’s consent to or approval of any subsequent act by the Defaulting Party. The acceptance of Ground Rent or of any other dues under the Deed of Emphyteusis by the Grantor shall not be a waiver of any preceding breach by the Grantee of any provision hereof other than the failure of the Grantee to pay the particular ground rent or dues so accepted, regardless of the knowledge of the Grantor of such preceding breach at the time of acceptance of such ground rent or other dues.
- 30.2 Unless otherwise provided in this Agreement or in the Deed of Emphyteusis, no remedy or election hereunder shall be deemed exclusive but shall whenever possible be cumulative with all other remedies available at law.

31 Entire Agreement

- 31.1 Each Party hereto acknowledges and agrees that (i) this Agreement together with the Deed of Emphyteusis shall contain the entire agreement between them with respect to any matter mentioned herein and that no other prior agreement, understanding or document, pertaining to any such matter is effective and (ii) it has not relied upon any oral or written representation made to it by the other party or by the latter’s employees, servants or agents, save as otherwise specifically stated in this deed.

32 Applicable Law and Jurisdiction

- 32.1 This Agreement and the Deed of Emphyteusis (as the case may be) deed shall be read, governed by and construed according to the Laws of Malta.

33 Good Faith

- 33.1 The Parties, undertake to honour this Agreement in good faith, and not to engage in conduct which may prejudice the other Party. Furthermore the Parties shall act in a manner to reach their desired objectives including but not limited to the signing of the Deed of Emphyteusis.

34 Notices

- 34.1 Unless otherwise expressly provided in this Agreement or in the Deed of Emphyteusis (as the case may be), any notice, notification or other communication under or in connection herewith shall be in writing and shall be delivered by hand or recorded delivery or sent by pre-paid first class post to the relevant party at the relevant address for service set out below or to such other address in Malta as each party may specify by notice in writing to the other party to the Agreement/Deed of Emphyteusis:

Grantor	
Name:	
Address:	
Attention:	
Grantee	
Name:	
Address:	
Attention:	

34.2 Any such notice or other communication shall be deemed to have been served on the party to whom it is addressed as follows:

(a) If sent by hand or recorded delivery when so delivered;

(b) If sent by pre-paid first class post from and to any place within Malta, three days after posting, unless otherwise proven.

34.3 For the avoidance of doubt, it is agreed that the provisions of this clause 34 shall not apply to judicial acts filed in the Courts of Malta which will be served in accordance with applicable Court procedures and service of such judicial acts shall be deemed to have been made in terms of law.

35 Costs and Expenses

35.1 Notarial fees and expenses payable upon publication of the Deed of Emphyteusis and Duty on Documents charges shall be paid by the Grantee.

35.2 Otherwise each Party shall be responsible for the payment of the fees of its own consultants and advisors.

36 Resolution of Disputes

36.1 Any dispute, controversy or claim arising out of or relating to this deed, or the breach, termination or invalidity thereof, shall be subject to the jurisdiction of the Courts of Malta

37 Annexes

Annex A – Board Resolution

Annex B – Bus Depot Area

Annex C – Car Park Area

Annex D – Car Park Roof Area

Annex E – Site Plan

Annex F – List of Current Employees

Annex G – Performance Security