

Agreement entered today *Monday 18th December 2017*

Between

On the first part Saviour sive Lino Mousu, hereinafter referred to as the 'Lessor', son of late Emanuel and Jane nee Vella, holder of Identity Card Number 330041 (M), residing at 64/65, Apartment No.5 – The Strand – Sliema, and

On the second part, the Malta Tourism Authority, hereinafter referred to as the 'Lessee', having Head Office at Building SCM 01, Suites 301-306, SmartCity Malta, Ricasoli SCM 1001, Kalkara – Malta, duly represented by Mr. Paul Bugeja, holder of Maltese Identity Card Number 416960 (M), as duly authorized in his capacity as Chief Executive Officer.

Hereinafter each referred to as a "Party" and jointly referred to as the "Parties".

1. Premises

- 1.1. The Lessor hereby grants under title of lease, the villa situated at Msida Valley – Msida, without official number and named 'The Lodge', hereinafter referred to as 'the Premises', to the Lessee, which accepts the Premises under the same title.
- 1.2. The Lessee hereby declares that it is accepting the Premises in its present state and condition of which it declares to be aware.
- 1.3. The Parties declare that by this Agreement, it is their intention to enter into an Agreement of Lease, and in the absence of specific provision in this Agreement, the provision regulating lease in the Civil Code of the Laws of Malta shall apply.

2. Maintenance

- 2.1. The Lessee shall, at its sole expense, without the right of reimbursement from the Lessor, carry out all ordinary maintenance and repairs that may, from time-to-time, become necessary in the Premises, including its improvements fixture and fittings, and shall at all times keep the Premises, including its improvement, fixture and fittings in good order and in good state of repairs, and shall so return the Premises to the Lessor at the termination of the Lease, save for fair wear and tear.
- 2.2. The Lessor, on its part, shall at his own expense, carry out all extraordinary repairs except for any extraordinary repairs occasioned through the sole and exclusive fault or

negligence of the Lessee, in which case the expenses shall be the sole and exclusive charge of the Lessee.

2.3. Furthermore the two Parties agree that Lessee is to carry out the works for the upgrade of the Premises and Lessor has no objections to any works to be carried out for such upgrade. Any structural alterations are to be agreed by both Parties and certified by an architect representing the Lessor, while the Lessor is binding himself to refund the sum of fifteen thousand Euro (€15,000) over a period of five (5) years, these years being the contracted period, which amount of money shall contribute to such works. In such an event, the Lessee is to deduct from the annual rent of fifty thousand Euro (€50,000) the sum of three thousand Euro (€3,000) for each year the Premises is leased by the Lessee in terms of this Agreement. Thus, although the contracted rent is that of fifty thousand Euro (€50,000), the Lessee shall pay the Lessor the sum of forty seven thousand Euro (€47,000) annually, payable eleven thousand, seven hundred and fifty Euro (€11,750) every three (3) months in advance. *

2.4. For the avoidance of doubt, the works for the upgrade of the Premises referred to in Clause 2.3. shall exclude the extraordinary maintenance referred to in Clause 2.2, which maintenance shall still fall within the responsibility of the Lessor.

2.5. For all intents and purposes, the Parties clarify that in the event of an agreement to make another contract for another five (5) year lease of these Premises, the Lessor is again binding himself to refund the sum of another fifteen thousand Euro (€15,000) over a period of the next five (5) years to be deducted from the agreed rent per year.

2.6. The Lessee shall not make or permit to carry out structural alterations to the Premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld.

3. Duration

3.1. The Premises is being granted on lease for a period of five (5) years; such period is to run from the 18th December 2017 until 17th December 2022.

3.2. Two (2) months before the expiry date of this Lease, the Lessor and the Lessee shall discuss whether to renew the Agreement or not for another five (5) years and which such renewal shall be done in writing. If it is agreed that the Agreement shall not be renewed, the Lessor will have the right to take prospective future tenants to visit the Premises at a time and a date in agreement with the Lessee.



4. Rent

4.1. The rent payable by the Lessee throughout the duration of this Agreement as per Clause 3.1. shall amount to fifty thousand Euro (€50,000) yearly excluding VAT, which amount entails the following:

- Office space consisting of 254.4 sq.m. @ €125.00 per sq.m. – totalling €31.800 p.a.
- Parking space consisting of 262.6 sq.m. @ €69.31 per sq.m. – totalling €18,200 p.a.

Total Space consisting of 517 sq.m. for an annual rent of €50,000, excl. VAT.

4.2. The amount shall be payable in quarterly instalments of eleven thousand seven hundred fifty Euro (€11,750) every three (3) months in advance and exclusive of VAT. However, should any new regulations be imposed, thus making the VAT applicable, such VAT amount has to be added to the rent amount accordingly by the Lessee.

5. Guarantee

5.1. The amount of one thousand six hundred and thirty Euro (€1,630) already paid as security by the Lessee to the Lessor on the Lease Agreement dated 5th March, 2007, shall again be used as security for the due and proper performance and discharge of all the Lessee's obligations and liabilities under or in connection with this Agreement.

6. Use of Leased Premises

6.1. The Lessee undertakes to use the Premises solely for offices purposes, and the Lessee is hereby specifically precluded from changing the said use at will and without prior notice to the Lessor.

6.2. The Lessee hereby undertakes to use the Premises and operate therefrom during normal business hours or during hours which the Lessee deems necessary from time-to-time.

7. Sub-Letting/Assignment of Lease

7.1. The Lessee shall not have the right to sub-let or assign the Premises, whether in whole or in part.

8. Termination

- 8.1. Following written notice, the Lessee shall have the right to terminate this Lease in the event that the Lessor breaches his obligations under this Agreement.
- 8.2. Following written notice, the Lessor shall have the right to terminate this Lease if:
- i. the Lessee is in arrears in the payment of two (2) instalments of rent consecutive or otherwise, or in the amount equivalent to two (2) instalments.
 - ii. The Lessee is in material breach of any of the other obligations assumed by it in virtue of this Agreement.
- 8.3. In case the Lessee fails to pay or remedy the breach within fifteen (15) working days from the date of service, the Lessor shall send a written reminder to the Lessee and if the latter does not honour his obligations within ten (10) working days following the notice, the Lessor shall call upon the Lessee by means of a Judicial Act, to pay the rent.
- 8.4. The termination of the Agreement under Clauses 8.1 and/or 8.2 shall not prejudice or affect any right or action or remedy, including that for the recovery of damages or any other outstanding bills and rent payments, which may have accrued or shall thereafter accrue to the Lessor.

9. Structural Changes.

- 9.1. The Lessee is prohibited from changing any colour of the facade and any other outside walls from the original colours painted by the Lessor.

10. Miscellaneous

- 10.1. All water, electricity and telephone bills as well as meters/telephone apparatus, rentals and any other telecommunication systems are to be borne by the Lessee during the period of rent, and the Lessor shall have the right to demand immediate payments to such bills. In the event that such bills are not paid punctually, and the above mentioned or any other service is being interrupted as a consequence thereof, the Lessee shall be bound to pay all and any extra charges incurred including those necessary to reconnect the said services.
- 10.2. The Lessee is to adequately and appropriately insure the Premises with a reputable insurance company under a general insurance building policy, catering for all risks, including earthquakes and third party liabilities caused to the Premises or neighbouring Premises and in which policy the Lessor must be mentioned as the



beneficiary (or assignee) or as a co-beneficiary (or co-assignee) with the Lessee of the insurance proceeds. The Lessee must supply Lessor with copy of such insurance policy. Lessee must inform Lessor in writing the date of the yearly renewal of such policy.

- 10.3. The Lessor shall have the right to access and inspect the Premises provided at least fifteen (15) working days prior notice at a date and time to be mutually agreed by both Parties.

11. Redelivery of premises

- 11.1. The Lessee undertakes to deliver the Premises to the Lessor immediately upon termination of the lease for any reason, in a good state of repair and condition, fair wear and tear expected.
- 11.2. On termination of the lease, the Premises shall be returned to the Lessor with vacant possession and together with such ameliorations carried out by the Lessee in the Premises. The Lessee will have no right to compensation for any ameliorations which the Lessee may have done during the tenancy, and will have no right to remove such ameliorations if these are of the nature of fixtures in terms of law. The Lessee shall have the right to remove all movables which he shall have introduced into the Premises.
- 11.3. If the Lessee fails to vacate and hand over physically the keys of the Premises by the termination date of the Lease Agreement, the Lessee has to pay the Lessor the sum of five hundred Euro (€500) per day including Sundays and Public Holidays, until the date that the Lessee vacates the Premises to the satisfaction of the Lessor.
- 11.4. Moreover, if the Lessee fails to clear the Premises of all items belonging to it, then the Lessor shall have the right to clear such items and charge all clearing expenses to the Lessee.

12. Licences and Permits

- 12.1. The Lessor undertakes to obtain all licences, permits and consents, while shall also execute and do all things necessary or required to be done in connection with the lease of the Premises. Furthermore, the Lessor binds itself to abide by the relative conditions of all permits or licenses covering the Premises from time-to-time and not to prejudice in any manner said permits and licenses.

12.2. The Lessee undertakes to obtain all licences, permits and consents, while shall also execute and do all things necessary or required to be done in connection with his use of the Premises. Furthermore, the Lessee binds itself to abide by the relative conditions of all permits or licenses covering the Premises from time-to-time and not to prejudice in any manner said permits and licenses.

13. Lift

13.1. The Lessee agrees that it shall pay for the yearly maintenance service of the lift found in the Premises, which yearly maintenance services is covered by an agreement entered into in November 2009 with S.S. Lifts Ltd, during the Term of this Lease, and for electric service servicing the elevator. Such lift is to be included in the insurance policy against all risks as per Clause 10.2.

13.2. The Lessor agrees that to the extent that there are repairs required to be made to the elevator which are not covered by the maintenance service agreement referred to in Clause 13.1, then the Lessor shall cause such repairs to be made, unless such repairs are the result of the wilful and wrongful act of the Lessee, its agents or invitees.

14. General Conditions

14.1. Any notice or communication in connection with this Agreement shall be served by the Parties at their respective address shown below or any other address that may be notified from time-to-time.

- **To Lessor:**

- 64/65, Apartment No.5, The Strand, Sliema.

- **To Lessee:**

- Building SCM 01, Suites 301-306, SmartCity Malta, Ricasoli SCM 1001, Kalkara.

14.2. This Agreement (including, all documents referred to herein), constitutes the entire agreement and understanding between the Parties relating to the subject-matter of this Agreement and supersedes any previous agreements relating to the subject-matter of this Agreement and/or commitments that the Parties may have entered into. No terms, representations, promises or conditions, oral or written, express or implied, have been made or relied upon other than those contained herein.

14.3. No alteration, modification or waiver of any of the terms of this Agreement shall be binding unless in writing signed by all Parties.

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15. Governing Law and Dispute Settlement

15.1. This Agreement shall be construed in accordance with, governed by and enforced under the laws of Malta through the Maltese Courts of Law.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be duly executed on the date here above stated.



Mr. Saviour sive Lino Mousu



Mr. Paul Bugeja
Chief Executive Officer
For and on behalf of the
Malta Tourism Authority