

AGREEMENT dated this

day of

whereby the Commissioner of Land, on behalf of the Government of Malta (hereinafter referred to as the 'lessor') grants on lease to _____ duly authorised to appear on behalf of Mediterranean Film Studios Limited (hereinafter referred to as the 'lessee') the land at Kalkara shown edged in red on attached plan L.D. 38/81 marked as Document 'A' and registered as Government Tenement No. 73305.

The lease is granted and accepted under the conditions set forth below for a period of 16 years commencing from 1st January 1983 provided that, after the lapse of the first 8 years the lessee retains the option of terminating the lease through a six-month prior notice in writing.

1. The rent shall be £M4,500 per annum reviewable after the first 8 years according to the index of inflation established for the purposes of Section 10C of the Housing (Decontrol) Ordinance, 1959.
2. The rent shall be paid in advance, at the Land Office in two equal instalments, that is to say, on the first working day of January and July of each year and the rent shall be deemed not to have been paid if an instalment of rent due is not paid within three days from the day on which the lessee may have been called upon, even verbally, by the Commissioner of Land or other person on his behalf, to pay such instalment of rent.
3. A Bank guarantee of one year's rent shall be deposited with a Bank approved by the Commissioner of Land. The said guarantee is to be renewed from year to year, one month before its expiry, during the whole duration of the lease.
4. The lessee shall use the tenement exclusively for film production purposes and for other related services.

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5. The lessee shall apply for all necessary licences and permits in terms of law; without prejudice to the foregoing, the Government binds itself to issue the necessary licence for the use of the tenement for the purpose for which it is let.

6. The tenement is let 'tale quale'. Any alterations which the lessee may wish to make must be submitted to the Commissioner of Land for his approval, and no changes shall be made unless this approval in writing has been given. On termination or determination of the lease, the lessee, without being entitled to any claim for compensation for any improvements thereon made by the lessee shall deliver the tenement in a good state of maintenance and repair.

7. The site is to be fenced in or hedged at lessee's expense and to the satisfaction of the Commissioner of land.

8. The lessee shall, throughout the entire period of the lease, at his expense and without any right to claim compensation, keep the tenement in a good state of cleanliness, maintenance and repair.

9. The lessee shall, before undertaking any of the works or repairs which either by law or by virtue hereof, he is bound to carry out, give notice thereof to the Commissioner of Land to enable him to inspect and supervise the execution of the work; and if it shall be so deemed fit by the Commissioner of Land, the said works or repairs shall be carried out under the direction of an engineer or other professional person appointed by the Commissioner of Land and at the expense of the lessee.

10. The lessee shall not affix signboards or otherwise show advertisements or notices on the exterior and on the roof of the said tenement for any purpose other than that for which it was let to him, without the express consent in writing of the Government, in each case to be obtained through the Commissioner of Land.

11. Before painting or colour washing any one of the external parts of the tenement, the lessee shall obtain the approval of the Commissioner of Land as to the colour of the paint or wash to be used. Such painting or colour washing shall be carried out at least once every three years.
12. The lessee shall insure and keep insured throughout the duration of the lease the tenement in its full value against loss or damage including malicious damage resulting from fire and/or explosion including fire and/or explosion that may be attributable to negligence and such other risks and casualties as are customarily insured against with respect to tenements of a similar character in or bordering on the Mediterranean, as also against damage caused by aircraft. Such insurance shall be effected by the lessee at his own expense in the name of the Government of Malta to the satisfaction of the Commissioner of Land with an insurance company acceptable to the Government.
13. The lessee shall allow free access to the tenement to any Government official or any other person duly authorised by the Commissioner of Land requiring to inspect the tenement on duty. If the lessee, wilfully or through negligence, hinders any such official or person as is mentioned in the foregoing condition from entering and inspecting the tenement, he shall be liable to a penalty of one Malta Pound (£M1) for each and every time such official or person shall not have been able so to do through the fault, negligence or omission of the lessee.
14. Without prejudice to the lessee's obligations under Clauses 8 and 11 to carry out maintenance works and repairs as provided therein:-
 - (a) any installation of water, electricity, gas and other services where required and not already provided, and

(b) all rents of water, electricity and the respective bills for consumption as well as all rental and others charges for telephone and any other installation or service, shall be at the sole charge of the lessee.

15. The lessee shall not make over the present lease or sublet the tenement, whether wholly or in part or enter into a partnership in respect of the tenement without first obtaining the written consent of the Commissioner of Land.

16. The lessee binds himself not to hinder in any way the public access to the foreshore, except at such time and in such places that said access interferes with the business of the lessee.

17. The lessee is to tend and keep in a good state the trees and/or bushes which the Department of Agriculture may provide in the open spaces on the site.

18. The lessee binds himself to maintain a minimum of 25 persons employed with the company throughout the duration of the lease.

19. The lessor grants permission to the lessee to utilise the existing pipelines in area "A" on attached plan marked Document "A" and the lessee shall not lay any additional pipelines without the prior approval of the lessor.

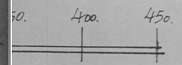
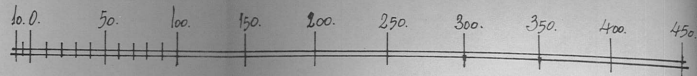
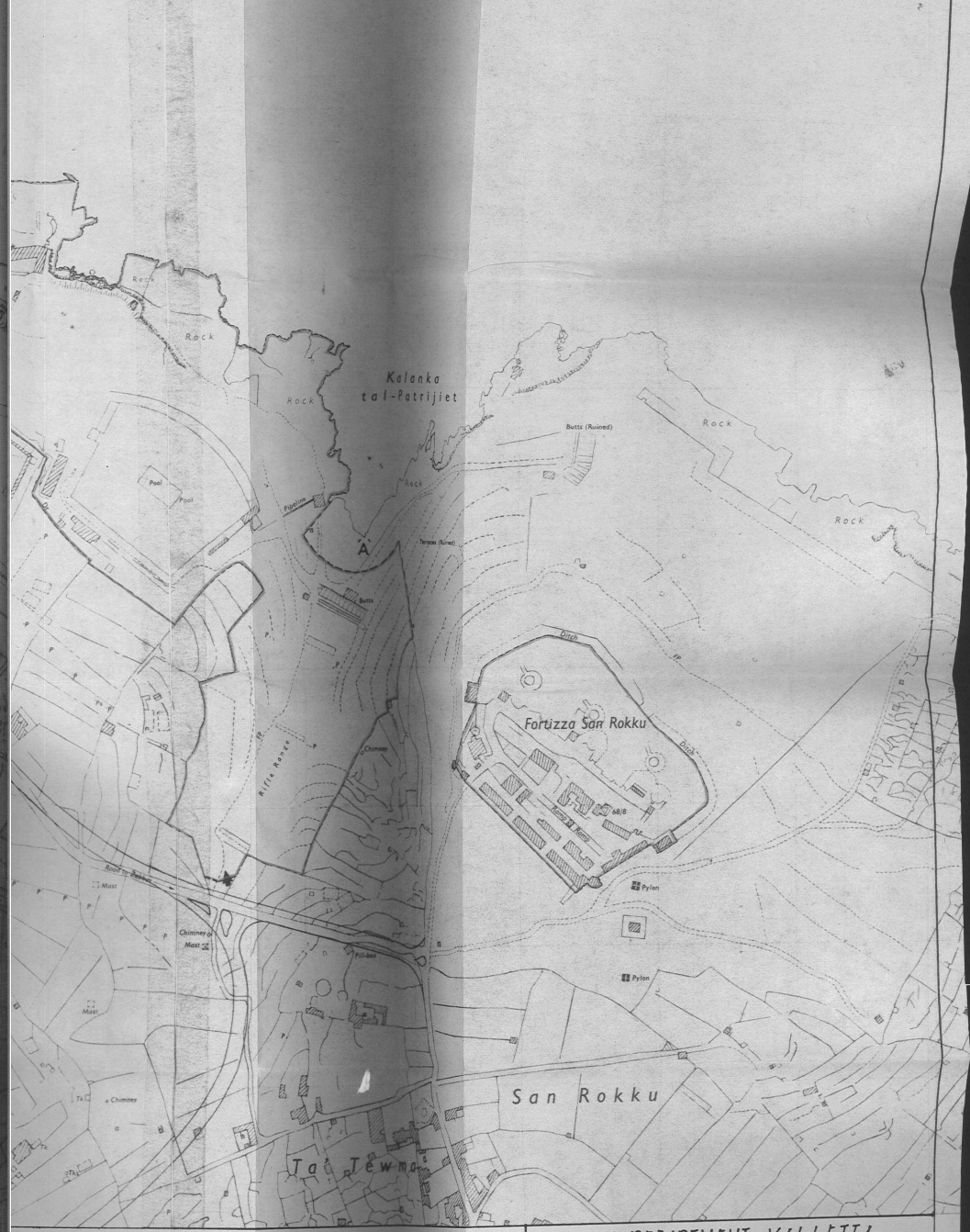
20. In addition to any other rights competent to the Government in terms of law and under any of the conditions hereof, the Government shall have the right to determine the present lease if the lessee acts in contravention of or fails to comply with any of the provisions of any of the above conditions or of any other condition which he has undertaken to observe, and in any such event, the lease shall determine as soon, or from such date, as the Commissioner of Land, or any other person on his behalf, may even by means of a letter, and without the necessity of any judicial act, declare.

21. The termination or determination of the lease shall in no way prejudice the rights of the Government arising from the obligations of or penalties incurred by the lessee which shall remain equally enforceable or recoverable by Government.

22. Where the lease is determined under Condition 20 hereof, the lessee shall continue to pay rent up to the remaining period of the lease or up to the date when the tenement is relet, whichever is the earlier. The lessee shall moreover be bound to pay the difference between the rent he was paying and the rent at which the tenement is relet, when the latter is lower than the former, for the remaining period of the lease.

23. On termination or earlier determination of the lease all improvements and installations existing on the site whether of an immovable nature or fixed but removable or freely movable though connected with the proper use and functioning of the facilities relating to this lease, shall revert to the Government without any right of compensation and this without prejudice to what is stated in Clause 6.

24. The lessee shall have the right of first refusal should the tenement be given again on lease for the same purpose for which it is now being leased on the expiration of the period of the said lease.



LAND DEPARTMENT - VALLETTA

LOCALITY:- KALKARA. SCALE:- 1:2500

DRWG. No. L.D. 38/81 DRAWN BY 3.

FILE: LAND 818/63. CHECKED *[Signature]*

[Signature] COMMISSIONER
 DATE:- 9/3/81 DATE:- 9/3/81