

RIŻOLUZZJONI DWAR TRASFERIMENT TA' PROPRIETÀ

IL-MINISTRU GHALL-EKONOMIJA, FONDI EWROPEJ U ARTIJET JIPPROVONI ILLI L-KAMRA TAD-DEPUTATI TAPPROVA DIN IR-RIŻOLUZZJONI: -

Billi hija l-politika tal-Gvern li jippromwovi lin-negozji u lill-industriji jikbru, u javanzaw fis-suq Malti u internazzjonali, sabiex permezz tagħhom jinholqu l-impjiegi għal-diversi ċittadini u jiġi ġġenerat ġid ekonomiku li jkun ta' sostenn u kontribut għall-ekonomija Maltija.

Illi Cortis Group of Companies thaddan diversi kumpaniji affiljati. Illi waħda minn dawn il-kumpaniji hija c-Central Business Centres p.l.c. (CBC plc). Din il-kumpanija giet stabbilita prinċipalment sabiex tiffacilita l-finanzjament tal-proġetti fil-propjeta' tal-Cortis Group of Companies.

Illi CBC plc kisbet permess ta' żvilupp mill-Awtorita' tal-Ippjanar b' referenza PA/01292/19 sabiex fis-sit magħruf bhala SMW Cortis Building fi Triq l-Imdina k/m, Triq H'Attard f' Haż-Żebbuġ twaqqaq l-istrutturi kollha eżistenti, thaffer l-art sabiex tikkreja ġibjuni, strutturi taht il-livell tat-triq għall-użu kummerċjali (Klassi 4B) u industrija żgħira (Klassi 5A), spazju ta' parkeġġ taht il-livell tat-triq, spazju ta' parkeġġ fil-livell tat-triq u *supermarket* fil-livell tat-triq.

Illi l-kumpanija Cortis Timber & Wood Products Ltd. ukoll tagħmel parti minn Cortis Group of Companies. Cortis Timber & Wood Products Ltd. preżentement tikri l-bini eżistenti minghand CBC plc għall-operat tagħha. Ladarba jkun konkluz il-proġett propost, Cortis Timber & Wood Products Ltd. ser tirreloka sabiex topera mill-bini propost, taht il-livell tat-triq kif approvat mill-Awtorita ta' l-Ippjanar fil-permess PA/01292/19 filwaqt li ser tkun qed topera is-*supermarket* fil-livell tat-triq.

U billi parti mill-art li fuqha nħareġ il-permess PA/01292/19 tikkonsisti f'art tal-Gvern, liema art hija triq li illum m'għadhiex tintuża bhala triq pubblika, CBC plc jirrikjedu li jakkwistaw titolu fuq din l-art sabiex ikollhom aċċess adegwat u li jkunu jistgħu jeseġwixxu l-permess approvat mill-Awtorita ta' l-Ippjanar PA/01292/19.

U billi l-Cortis Group of Companies bis-saħħa ta' CBC plc qed tippoġetta li Cortis Timber & Wood Products Ltd. ser iżżid l-impjegati tagħha billi timpjega diversi haddiema addizzjonali ma' dawk li diġa' għandha u li s-*supermarket* ser jimpjega tal-inqas tletin haddiem li jvarjaw minn kaxxiera, *staff* maniġerjali u oħrajn u dawn flimkien ma' impjegati addizzjonali biex jaħdmu magħhom fl-imħażen tagħhom f'Hal Qormi.

Billi wara li ġew ikkunsidrati l-benefiċċji ekonomiċi li tali żvilupp ser jġib, iż-żieda fl-impjiegi u li dan l-iżvilupp għandu jkun holqa oħra fil-katina ekonomika Maltija, l-Awtorita' tal-Artijiet ikkunsidrat li huwa ġustifikabbli li jsir trasferiment ta' art fi Triq l-Imdina f' Haż-Żebbuġ b'qies ta' 1,366 m² murija bl-aħmar fuq il-pjanta P.D. No.: 2022_0268_A lill-Central Business Centres p.l.c. għall-proġett propost skond il-permess ta' żvilupp PA/01292/19.

Illi l-Awtorita` tal-Artijiet tikkonsidra li dan it-trasferiment għandu jkun b' konċessjoni enfitewtika temporanja ta' 65 sena b' ċens ta' €39,800 fis-sena rivedibbli kull 10 snin abbażi tal-indiċi tal-inflazzjoni jew 10% taċ-ċens pro tempore, skont liema jkun l-oġġla.

Illi huwa propost li din l-għotja enfitewtika tkun suġġetta għall-kundizzjonijiet li:

- a) l-art mogħtija tintuża bhala triq t' aċċess, u għall-ċirkulazzjoni flimkien mal-bżonnijiet anċillari tal-iżvilupp propost kif approvat mill-Awtorita ta' l-Ippjanar fil-permess PA/01292/19;
- b) li t-trasferiment propost ma jinkludix passagġ pubbliku, liberu bla ingombri ta' metru u għoxrin centimetru (1.2m) madwar il-mithna adjaċenti proprjeta' tal-Gvern hekk kif muri fil-porzjon ikkulurit b'sinjali suwed fuq il-pjanta P.D. No.: 2022_0268_A;
- c) li jithalla s-servitu' eżistenti ta' 3m wisa' mil-livell tat-triq il-fuq għall-ventilazzjoni tal-mithna adjaċenti. L-arja tas-servitu' hi mmarkata bil-kulur blu fil-pjanta P.D. No.: 2022_0268_A u tinkludi l-passagġ deskritt f'punt b) hawn fuq, u;
- d) li jithalla dritt t' aċċess u passagġ liberu għall-vetturi ta' kull qies u daqs, f'kull hin, b'ebda ħlas, minn u għal kull punt tas-sit immarkat bis-sinjali suwed fil-parti mmarkata blu fuq il-pjanta P.D. No.: 2022_0268_A mill-art murija bl-aħmar fuq il-pjanta P.D. No.: 2022_0268_A.

U billi fl-artiklu 31, sub-artiklu (ċ) ta' Taqsima III tal-Att dwar Artijiet tal-Gvern (Kapitolu 573) huwa maħsub li art li tkun proprjeta' tal-Gvern jew amministrata minnu tista' tiġi trasferita skond risoluzzjoni speċjali tal-Kamra tad-Deputati li tkun fis-seħħ filwaqt tat-trasferiment.

Billi huwa xieraq li t-trasferiment fuq imsemmi jsir skond risoluzzjoni speċjali tal-Kamra tad-Deputati;

Għalhekk huwa b'dan risolut illi jsir trasferiment lil Central Business Centres p.l.c. ta' l-art tal-kejl ta' 1,366m² fi Triq l-Imdina f' Haż-Żebbuġ murija bil-kulur aħmar fuq il-pjanta P.D. No.: 2022_0268_A skond il-pattijiet u l-kundizzjonijiet fl-abbozz ta' kuntratt hawn anness.

MINISTRU GĦALL-EKONOMIJA, FONDI EWROPEJ U ARTIJIET

Onorevoli Silvio Schembri

Enc. P.D. No.: 2022_0268_A

Abbozz ta' kuntratt

Act No:

**Temporary
Emphyteutical
Concession**

Enrol:-

On:-

Hyp:-

LRA:-

LRC:-

Before me, Notary Public Doctor _____, there personally came and appeared after I the undersigned Notary identified them in virtue of the hereunder mentioned official documents:

Of the First Part:

who is appearing hereon for and on behalf of the **Lands Authority** which in turn is representing the **Government of Malta** as duly authorised by virtue of a Board Minute of the Board of Governors of the Lands Authority bearing number _____ dated _____,

- Hereinafter referred to as '*the Lands Authority*' and/or '*the Government of Malta*' as the case may be.

Relative papers in respect of this deed are file bearing capital letter 'L' number one hundred fifty-three stroke two thousand and twenty-two (L. 153/2022).

Of the Second Part:

who is appearing hereon for and on behalf of **Central Business Centres p.l.c.**, other times known as **CBC p.l.c.**, duly registered bearing company registration number six five seven zero two (C-65702), as duly authorised by virtue of _____,

- Hereinafter referred to as '*CBC p.l.c.*' or '*the Emphyteuta*' as the case may be.

Collectively, the Lands Authority/Government of Malta and CBC p.l.c./Emphyteuta are at times hereinafter referred to as '*the Parties*'.

The Parties hereby declare and premise:

Whereas CBC p.l.c. has requested the Government of Malta and is desirous to be granted the hereunder-described site situated in Haz-Zebbug, Malta, by way of temporary emphyteusis, required for the purposes indicated hereunder.

Whereas the Government of Malta has acceded to CBC p.l.c.'s request, subject to the terms and conditions set out hereunder.

Emphyteutical Grant of the Property

Now therefore, by virtue of this deed, the Lands Authority hereby grants on temporary emphyteusis for a period of **sixty-five (65) years** reckoned as from the date hereof to the Emphyteuta, which accepts and acquires by same title of temporary emphyteusis the unnumbered and unnamed site, which is accessible from Triq l-Imdina and is situated in Zebbug, Malta, measuring approximately one thousand three hundred and sixty-six (1,366sqm), bounded from the south by the aforementioned road, from the west by property of the Emphyteuta or its successors in title, and from the east in part by property of the Government of Malta or its successors in title and in part by property of the Emphyteuta or more correct boundaries, and which site is being granted and accepted as shown bordered in red on the plan indicated as Property Drawing number two thousand twenty-two underscore zero two six eight underscore capital letter 'A' (P.D. 2022_0268_A), herewith attached and marked Document 'X',

- Hereinafter referred to as *'the Emphyteutical Site'*.

This emphyteutical concession is being made in consideration of the temporary yearly ground rent of **thirty-nine thousand eight hundred Euro (€39,800)** payable yearly in advance as from the date of deed which date is also the date of commencement of this emphyteutical concession.

For all intents and purposes, Parties declare and premise :-

a. That the Emphyteutical Site is bounded from the east in part by a passage which is one point two metres (1.2m) wide, which is hatched in black on the aforementioned P.D. 2022_0268_A. The said passage serves as a free and unencumbered public access along part of the boundary of the windmill, property of the Government of Malta, bearing property number zero five zero eight four zero (050840). Parties agree and declare that the said passage does not form part of the Emphyteutical Site, and therefore is not included in the present emphyteutical concession;

b. That the Emphyteutical Site is burdened by a right of access and right of passage in favour of any passenger vehicles and/or commercial vehicles, which right of access and right of passage are to be free and unencumbered at all hours, better shown marked in

blue and including passage described better in paragraph 'a' above. The Emphyteuta shall not be entitled to any remuneration whatsoever by the Government of Malta in relation to this right of access and right of passage;

c. That the Emphyteutical Site is burdened by an active overlooking servitude from the aforementioned windmill onto the Emphyteutical Site, from street level upwards *usque ad coelum*, providing light and ventilation to the windmill and a garage door at the back of the windmill, providing vehicular access to the windmill. For the purposes of this deed, this servitude is active at a distance of not more than three metres (3m) as measured from the boundary of the windmill to not more than three metres (3m) to the blue line as shown delineated on the aforementioned P.D. 2022_0268_A. The Emphyteuta binds itself to leave the said distance of 3m clear, unhindered and unrestricted at all times. The said distance of 3m includes the passage described better in paragraph 'a' above.

This emphyteutical grant shall be governed by the following terms and conditions and, except to the extent excluded or modified hereby, also by the provisions of the Civil Code relating to emphyteusis:-

1. TALE QUALE

The Emphyteutical Site is hereby being granted on temporary emphyteusis *tale quale* in its current state and condition.

2. GROUNDRENT

(i) Interest at the rate of eight per cent (8%) per annum shall automatically accrue without the need of any other formality, judicial or otherwise, on the groundrent not paid when it falls due with effect from the due date up to the date of effective payment.

(ii) The yearly *pro tempore* ground rent shall be increased every ten (10) years based on the proportionate increase in the index of inflation or by ten percent (10%), on the ground rent payable annually in terms of this deed in each year in the immediately preceding ten (10) year term, whichever is the higher. In view that the Index of Inflation for a particular year is officially published the following year, the Index to be used for this purpose shall be that for the preceding year, both in respect of the basis year and the year of the revision. The first such revision shall take place on the _____ the year two thousand and thirty-three (2033).

3. WARRANTY OF PEACEFUL POSSESSION

The Lands Authority warrants the peaceful possession and real

enjoyment of the Emphyteutical Site in favour of said Emphyteuta.

4. FREE FROM BURDENS

Save for any public services currently passing through, under or over the Emphyteutical Site and save as otherwise stated in this deed the Emphyteutical Site is hereby granted as free and unencumbered from all burdens, other servitudes, hypothecs and privileges, and free from all rights, both real and personal and of whatever nature, in favour of third parties.

5. EXCLUSION OF WARRANTY AGAINST LATENT DEFECTS

Since the Emphyteutical Site described above has been maintained, occupied and/or used by the Emphyteuta immediately prior to this deed, the Lands Authority with the acceptance of the Emphyteuta expressly excludes any warranty against latent defects.

6. PURPOSE

The purpose of this emphyteutical grant is for the Emphyteuta to engineer an industrial project which aims to render to the country's economy and to create an adequate number of jobs.

7. USE

Without prejudice to the Emphyteuta's obligations and rights of the Government of Malta pursuant to this Deed, the Emphyteuta shall be entitled to enjoy and make full use of the Emphyteutical Site solely to be used as a part access and circulation road, including ancillary services to cater for the proposed development covered by permit bearing capital letters 'PA' slash number zero one two nine two slash one nine (PA/01292/19).

Hereinafter referred to as '*the Permitted Use*'.

The Emphyteuta shall bear any and all costs and expenses, whether ordinary or extraordinary, that may be necessary or desirable in connection with the permitted use and in accordance with the Emphyteuta's rights over the Emphyteutical Site.

The Emphyteuta may apply for any necessary building/construction permits from the competent authorities, subject to prior written consent of the Lands Authority.

8. MODIFICATIONS TO PROPERTY

(i) Subject to such permits required by law, the Emphyteuta may carry out on the Emphyteutical Site or any part thereof all ancillary works related to the Permitted Use, including demolition of

buildings and excavation of the land, and may make thereon any Permitted Construction, Reconstruction or Refurbishment (as this term is hereunder defined) at its discretion. The Emphyteuta shall be obliged to notify the Lands Authority with copies of all plans and permits relative to such works prior to commencement of such works.

(ii) The term ***‘Permitted Construction, Reconstruction or Refurbishment’*** for the purposes of this deed shall mean such construction or reconstruction or refurbishment which either:

- a. is in the ordinary course of its business; or
- b. is necessary for or conducive to the carrying on of the activities for which the Property can be used in terms of the Permitted Use as defined in clause seven (7) above; or
- c. is required by law; or
- d. may be agreed to in advance by the Lands Authority in writing only if such works are intended for the Emphyteuta to continue to comply with its obligations in terms of this deed, and subject always to the permitted use stipulated in this deed.

(iii) For the avoidance of doubt as to whether any reconstruction or refurbishment works fall within the definition of “Permitted Construction, Reconstruction or Refurbishment”, the Emphyteuta may at any time apply for confirmation to the Lands Authority, as the case may be, and when consent is so granted such reconstruction or refurbishment shall be considered a Permitted Reconstruction or Refurbishment for the purposes of this deed, provided the same is consistent with the permitted use stipulated in this deed.

9. COMPLIANCE WITH LAW

The Emphyteuta shall, at the Emphyteuta’s sole cost and expense, comply with all legislation, rules, regulations, and administrative orders applicable to Emphyteutical Site, and shall faithfully observe all conditions included in all licences, permits and authorisations issued to the Emphyteuta or for the Emphyteutical Site in relation to the activities being carried out, now in force or which may hereafter be in force. In particular but without prejudice to the generality of the foregoing the Emphyteuta shall obtain and comply with all licences and permits necessary for the use of the Property in accordance with the Permitted Use.

10. ACCESS

The Emphyteuta binds itself to grant all necessary rights to

competent authorities in the exercise of their duties in respect of the Emphyteutical Site.

11. ANCILLARY OBLIGATIONS OF THE EMPHYTEUTA

Without limitation to other obligations of the Emphyteuta arising from applicable laws or from this deed:

i. The Emphyteuta shall be bound to carry out all obligations imposed on the owners of buildings, lands, installations and improvements falling under this deed, and the Government shall not be bound under any circumstance to contribute to the expense required for the carrying out of any such obligations whatever may be the amount of such expense and whatever may be the remaining period of the Emphyteutical Grant when such obligations fall due to be carried out.

ii. The Emphyteuta shall keep the Emphyteutical Site and all installations and improvements now existing thereon or which may in the future be constructed or erected thereon at all times in a good state of repair in accordance with applicable law and internationally recognised industry standards, and on the termination of the Emphyteutical Grant by expiration of time or on dissolution of such grant for any other reason, it shall relinquish the Emphyteutical Site and any permanent improvements thereon in a good state of repair and operation, fair wear and tear excepted, without any right of compensation.

iii. Any damage occurring not only through ordinary causes but also through fortuitous, extraordinary and unforeseen circumstances or by Act of God, even if the Emphyteutical Site perishes in whole, shall be made good by the Emphyteuta who shall be bound to reconstruct, repair or replace the whole or part of the Emphyteutical Site, including all the buildings, installations and improvements existing at the moment of the events causing the damage, and this at its own cost, so as to render the Emphyteutical Site capable of being operated in accordance with the 'Permitted Use', in the most expeditious manner possible.

For the avoidance of doubt, the Lands Authority and the Emphyteuta agree that the provisions arising from section one thousand five hundred and fifteen (1515) of the Civil Code, Chapter sixteen (16) of the Laws of Malta, shall not automatically apply to this Emphyteutical Grant.

iv. The Emphyteuta shall not make any excavation in search of water on the Emphyteutical Site.

v. The Emphyteuta shall give immediate notice to the competent authority of the discovery of any trace of objects or monuments of

local antiquarian or archaeological importance on the Emphyteutical Site. Any find of such movables shall *ipso facto* become the property of the Lands Authority. On obtaining information of each such discovery the Lands Authority shall have the right to access any part of the Emphyteutical 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 Lands Authority shall have the right to rescind the emphyteutical grant, on giving notice thereof to the Emphyteuta. In any such event, the Emphyteuta shall be entitled to compensation only for and to the extent of the actual value of such works as it may have carried out on the site; and at a valuation of the same to be made by the Lands Authority, and it shall not be entitled to any other compensation of any sort, provided that the Emphyteuta may opt either to retain that part of the emphyteutical grant not affected by such finds with a relative diminution of ground rent or where this is possible integrate such finds within the development, provided further that should action by any Government Agency or Department relative to any such discovery, cause any hindrance or delay in the progress of the works, 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 will become effective.

vi. The Emphyteuta shall not cause damage to existing public services passing through, under or above the Emphyteutical Site and when damage is caused or the temporary removal is necessary it shall be bound to re-instate same as soon as possible. The Emphyteuta shall not have the right to claim any compensation for the reason that any existing public services are passing in, under or upon the Emphyteutical Site.

vii. The Emphyteuta shall not subject the Emphyteutical Site to any kind of easement or permit third parties to subject the Emphyteutical Site to any kind of easement, without the prior written consent of the Lands Authority.

viii. The Emphyteuta shall not, without the prior written consent of the Lands Authority, hypothecate its rights arising from this deed or in any other manner burden the Emphyteutical Site in favour of any third party.

12. PROHIBITION AGAINST ENCROACHMENT ON ADJACENT LAND

The Emphyteuta is prohibited from extending in any manner any building or structure constructed or erected on the Emphyteutical Site onto adjacent land, whether such land is also owned by the Emphyteuta or otherwise, without the prior written consent of the Lands Authority.

13. INSURANCE

The Emphyteuta shall insure and keep insured throughout the duration of the emphyteusis the Emphyteutical Site and any improvements thereon 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 as are customarily insured against with respect to property of a similar character in or bordering the Mediterranean. Such insurance shall be effected by the Emphyteuta at its own expense;

Provided that in the event that if such insurance cover is not ordinarily available or commercially feasible whether on the national or international market, the Lands Authority and the Emphyteuta shall meet to discuss and within the period of six (6) months thereof decide how best to protect their interests; in default of such a decision the obligation to obtain an insurance cover shall apply. The lack of insurance cover during such period shall not be deemed to be a breach of the conditions of this deed on the part of the Emphyteuta.

14. REPAIRS AND MAINTENANCE

The Emphyteuta shall at its own expense, maintain the Emphyteutical Site in a good state of repair and shall carry out such preventive and remedial maintenance as may be necessary in accordance with generally accepted international industry standards. In addition, the Emphyteuta shall (i) at its own cost and expense carry out all ordinary and extraordinary repairs to the Emphyteutical Site including all the facilities and services thereon; and (ii) return to the Lands Authority the Emphyteutical Site with all the facilities and services thereon together with any improvements made thereon at the termination or expiration of this deed, in a good state of repair and maintenance and fully operational in accordance with generally accepted international industry standards and with no right to compensation. The obligations of repair and maintenance of the Emphyteuta in terms of this clause shall extend to all improvements, including buildings, facilities, services or other erections made on the Emphyteutical Site.

15. INDEMNITY

The Emphyteuta shall be responsible for and shall indemnify, keep indemnified and hold the Government (its officers, directors, employees and agents), Government departments and Government entities harmless from and against all losses, damages, injuries, costs, expenses and liabilities of any kind (including legal fees and expenses) arising out of and in relation to:

- a) third party liability,
- b) loss or damage to third party property, and
- c) any other liability,

in each case arising out of any negligent acts or omissions or willful misconduct of the Emphyteuta in relation to the Emphyteuta's possession, operation and maintenance of, or failure to operate and maintain, the Emphyteutical Site.

16. UTILITIES

The Emphyteuta shall be responsible for procuring and contracting directly with any and all utility providers on its own account for any utility service required to fulfil its obligations and enjoy its rights in terms of this deed.

17. VERIFICATION OF CONDITIONS

The Emphyteuta shall permit the Lands Authority or its representative at all reasonable times to have access to the Emphyteutical Site and to the improvements thereon and when requested to do so, the Emphyteuta shall give all possible facilities and aid to enable him to verify whether the conditions of this grant are being or have been complied with. In the event that the Emphyteuta defaults in its obligations under this clause, it shall incur a penalty of two hundred and fifty Euro (€250) for each and every occurrence.

18. PUBLIC UTILITIES

The Lands Authority or other public utility operators whether owned by the Government or otherwise, in agreement with the Emphyteuta, shall have the right to create on any part of the Emphyteutical Site, any kind of easement which may be necessary for the provision of public services, provided this does not materially adversely affect the operations of the Emphyteuta. The exercise of such rights agreed to by the Emphyteuta shall be without any obligation on the part of Government or any operator to pay any compensation for such easement and access.

Provided that the Government or the public utility operator shall have a duty to pass such services and utilities in the manner which is least injurious to the Emphyteuta.

19. TRANSFERS

19.1 The Emphyteuta may transfer or otherwise dispose, in

whole or in part, the Emphyteutical Grant or the Emphyteutical Site or improvements thereon (hereinafter referred to as ‘a transfer’ or ‘disposal’) to any person not being an Undesirable Person (as this term is defined below).

19.2 For such purpose the Emphyteuta shall notify the Lands Authority in writing of such proposed transfer sixty (60) days prior to the date of such proposed transfer, together with relevant details of the prospective transferee.

For the purposes of this clause, any share transfer agreement or any other contract sui generis implying transfer or assignment, entered into by the Emphyteuta and a third party, even in respect of part of the shares in the Company, shall be deemed to be a transfer or disposal, proportionate to the amount and value of shares being transferred; therefore, such the notification as mentioned at clause 19.2 made sixty (60) days prior to the date of such proposed transfer, shall also include the relevant details of the prospective transferee and an authenticated document containing the writing consent and authorisation by the financial regulatory authorities and/or any other relative authority, for the proposed share transfer.

19.3 The Lands Authority shall give its consent to the transfer of the Emphyteutical Grant or the Emphyteutical Site as requested in the application, without delay, provided:

- a. the terms and conditions of the proposed transfer are consistent with the terms and conditions of this deed; and
- b. there are no prevailing breaches of any of the conditions imposed by this deed prior to the transfer; and
- c. the proposed transferee is, in the opinion of the Lands Authority, not an Undesirable Person.

19.4 For the purposes of this deed an **Undesirable Person** shall be a Person who:

- a. Has been convicted of a crime, wherever committed:
 - i) against the safety of the Government of Malta in terms of Articles fifty five (55) to fifty nine (59), both Articles included, of the Criminal Code (Chapter Nine of the Laws of Malta),or
 - ii) 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
 - iii)specified in the Schedule to the Extradition Act (Chapter two hundred and seventy six (276) of the Laws of Malta) and liable to a term of imprisonment of more than three (3) years;
 - iv) against the Prevention of Money Laundering Act (Chapter three hundred and seventy three (373) of the Laws of Malta);
 - v) in violation of the Articles three hundred and seven (307) to three hundred and fifteen (315) of the Companies Act (Chapter

three hundred and eighty six (386) of the Laws of Malta) and in violation of Article one hundred and ninety one (191) of the Criminal Code;

vi.) against the laws or by the courts of another country with respect to the crimes specified in (i), (iv) and (v) above.

b. Is the subject of sanctions or restrictions issued by the United Nations or other international Governmental body of which Malta is part and which are adopted 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 this for such time as such sanctions remain in force.

c. Is the subject of an international arrest warrant or is otherwise wanted by INTERPOL or other equivalent trans-national police organisation, and this for such time as he so remains.

d. Is insolvent or bankrupt and unable to pay his debts as they fall due.

e. Being a legal entity, the director or other officer, or the controlling shareholder of which is:

i) an Undesirable Person; or

ii) in case of a director or officer, disqualified to be a director of a Company in terms of the Companies Act (Chapter three hundred and eighty six (386) of Laws of Malta) 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.

“Person” means an individual or a legal entity, whether registered or not and this irrespective of citizenship, place of registration, residence or management.

20. Nothing in Clause nineteen (19) shall be deemed to waive the obligations of the Emphyteuta and / or the prospective transferee arising from any other law concerning the transfer of immovable property in Malta.

21. Nothing in Clause nineteen (19) shall be construed as prohibiting the enforcement by banks granting banking facilities to the Emphyteuta and having a security interest over any part of the Emphyteutical Site or improvements thereon from enforcing their rights over such property, including by way of judicial sale by auction. The Lands Authority, however reserves the right, at all times, to refuse to recognise a potential acquirer on the basis that it is an Undesirable Person as defined in this Clause.

22. CONDITIONS APPLICABLE TO TRANSFERS

Should the Emphyteuta be permitted to transfer or dispose, in whole or in part, the Emphyteutical Grant or the Emphyteutical Site or the permanent improvements made thereon or any rights granted in relation thereto by virtue of this deed, as provided under the preceding Clauses the following conditions shall apply:

- (i) A recognition fee (laudemium) equivalent to one (1) year's groundrent shall be due to Lands Authority and should the transferee fail to pay the said 'laudemium' within forty (40) days of the relative deed of transfer the Emphyteuta and the transferee shall be jointly liable to pay a penalty of one thousand five hundred Euro (€1,500), over and above the said recognition fee, per day of default for mere delay;
- (ii) The Emphyteuta shall within forty (40) days of any such transfer or disposal inform the Lands Authority of such transfer or disposal by registered letter and cause a copy of the relative deed to be forwarded to the Lands Authority. Should it fail to do so, it shall be liable to pay a penalty of one thousand five hundred Euro (€1,500), per day of default for mere delay;
- (iii) The Emphyteuta shall include in the deed of transfer or disposal all the obligations of the Emphyteuta arising from this deed, it being understood that the aforesaid obligations may be included by reference to this deed.

23. LEASES AND MANAGEMENT AGREEMENTS

(i) Nothing in this deed shall prohibit the Emphyteuta from granting, in whole or in part, the Emphyteutical Site or the permanent improvements made thereon or any rights granted in relation thereto by virtue of this deed, on lease or under management agreement or by way of concession or from otherwise granting the possession thereof for the Permitted Use, to a person who is not an Undesirable Person, provided that such lease or management agreement or concession or possession is:

- a. granted by the Emphyteuta for the Permitted Use
- b. subject to the condition that if this Emphyteutical Grant be dissolved for any reason, the lease or management agreement or concession or grant of use will terminate automatically and simultaneously; and
- c. subject to the further condition that if the lessee or manager or concessionaire or user is or at any time becomes an Undesirable Person the said lease or management agreement or concession or grant of possession may be terminated on simple notice by the Emphyteuta to the lessee or the manager or concessionaire or user, and that in such circumstances the Emphyteuta shall give such notice when so requested by the Lands Authority.

And provided further that if the Emphyteuta exercises its rights under this article, a one-time recognition fee equivalent to one (1) year's groundrent shall be due by the Emphyteuta to the Lands Authority, which groundrent shall be equivalent to a proportionate amount of groundrent payable at the time of the lease/management agreement in proportion with the area in square metres as granted by virtue of the said agreement when compared to the total area of the Emphyteutical Site.

It is agreed that for the purposes of this Clause "lease" and "management agreement" and "concession" shall include any form of arrangement under whatever name which has the same effects.

It is being specifically agreed that a "lease" and "management agreement" and "concession" and "grant of possession" of the Emphyteutical Site shall not be deemed to be a transfer or disposal in terms of Clause twenty-two (22).

(ii) Nothing in this Clause shall be deemed to exonerate the Emphyteuta from its obligations arising from this deed or applicable law and the Emphyteuta shall be jointly and severally liable with the lessee and/or manager and/or concessionaire and/or user.

24. DISSOLUTION AND TERMINATION

The Lands Authority shall have the right to dissolve this Emphyteutical Grant granted by virtue of this deed, for any of the following reasons:

- i. if the Emphyteuta fails to pay the annual groundrent for three years or if although it has made part payments in each year, a sum equal in amount to three year's ground rent is still owed to Lands Authority whether by way of groundrent or interest thereon;
- ii. if the Emphyteuta or any person or entity authorised by him uses the Emphyteutical Site for any purpose which does not fall within the definition of Permitted Use;
- iii. if the Emphyteuta extends without the written consent of the Lands Authority in any manner any building or structure constructed on the Emphyteutical Site or onto land adjacent to the Emphyteutical Site, whether such land is also owned by the Emphyteuta or otherwise;
- iv. if the Emphyteuta fails to obtain and keep in full effect the insurance cover it is required to keep in accordance with the terms of this deed;
- v. if the Emphyteuta transfers the Emphyteutical Grant or the

Emphyteutical Site or improvements thereon or part thereof, without prior written consent of the Lands Authority.

vi. 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 it results that the Emphyteutical Site or part thereof, is being controlled by an Undesirable Person as defined;

vii. if CBC p.l.c. or this emphyteutical grant is dissolved in any manner, the Emphyteutical Site together with all improvements thereon shall immediately revert to the Lands Authority without the need for any further formalities;

viii. if the Emphyteuta is otherwise in breach of any of the other conditions of this deed; or

ix. for any other reason contemplated at law.

25. PROCEDURE FOR DEFAULTS AND DISSOLUTION OF GRANT

Default Notice.

(i) On the occurrence of any one of the circumstances mentioned in Clause twenty-four (24) of this deed and any time thereafter for such time as such circumstance shall continue the Lands Authority may give notice (the “**Default Notice**”) by means of a registered letter to the Emphyteuta of the alleged breach under the provisions of this deed and of a time period (hereafter referred to as a “**Cure Period**”), being not less than sixty (60) days from receipt of the Default Notice, for the Emphyteuta to rectify the default.

During any Cure Period, whether established by the Default Notice, the agreement of the parties or the arbitrator as stated below, the Emphyteuta shall be bound to rectify the default.

Emphyteuta’s Options:-

(ii) The Emphyteuta shall have the option, to be exercised within thirty (30) days of receipt of the Default Notice, by means of a registered letter to the Lands Authority:

(a) either to state why in its reasonable opinion there is no default;
or

(b) to undertake to the Lands Authority that it will rectify the default within the period stated in the Default Notice, in which case it may also request that the Cure Period be extended to a date mutually agreed upon in writing by the Emphyteuta and the Lands Authority.

(iii) Unless the Lands Authority signifies by means of a registered letter to the Emphyteuta, within fifteen (15) days of the receipt of the response, that it agrees with the Emphyteuta that:

(a) there is no default, or

(b) the proposed extension of time to the Cure Period is acceptable, the Emphyteuta shall be entitled to refer the matter to arbitration by not later than thirty (30) days from the dispatch of its response to the Lands Authority.

(iv) Failure by the Emphyteuta to contest the Default Notice in accordance with Clause twenty-five roman two [(25) (ii)] or to refer the matter to arbitration in accordance with Clause twenty-five roman three [(25) (iii)] shall constitute acceptance by the Emphyteuta of the Default Notice in accordance with its terms.

Disputes as to existence of Default

(v) Any disputes relating to the existence or otherwise of a default referred to arbitration in terms of the above shall be determined by a panel of three arbitrators.

Disputes Relating to the Cure Period

(vi) Any disputes relating to the duration of the Cure Period referred to arbitration in terms of the above shall be determined by one arbitrator, who may establish a longer Cure Period, which period may be extended by the arbitrator as may be just and reasonable in the circumstances. The arbitrator shall enjoy all the powers of the Court in this regard as stated in the Civil Code in the Title on Emphyteusis.

Lapse of Cure Period

(vii) On the lapse of the Cure Period without a default being rectified, the Lands Authority shall have the right to demand the dissolution of the Emphyteutical Grant and all related rights which demand for termination shall be made by notifying the emphyteuta by means of a registered letter.

Disputes in relation to Rectification of Default

(viii) In the event of disagreement as to whether a default has been satisfactorily remedied or not, any of the parties may refer the matter to arbitration by three arbitrators. The arbitrators shall be empowered :

to determine whether such action as has been taken is satisfactory rectification of the default, or

to grant a further period for the rectification of the default under

specific terms and conditions, or

to declare the termination of the Emphyteutical Grant, and/or

to give such other directives as the tribunal may decide, including in case of termination, the right, which right is hereby expressly granted by the parties, to appoint a Notary to publish the deed of termination of the Emphyteutical Grant, to determine a day, time and place for the publication of the relative deed and to appoint a third party to execute such deed on behalf of the Emphyteuta in the event that the Emphyteuta fails to appear for the publication of the aforesaid deed on the day, time and place so determined.

Disputes following acceptance of a Default Notice

(ix) In the event of disputes following acceptance of a Default Notice, the parties may refer the matter to arbitration by three arbitrators. The arbitrators shall be empowered:

(a) to declare the termination of the Emphyteutical Grant, and

(b) to give such other directives as the tribunal may decide, including, the right, which right is hereby expressly granted by the parties, to appoint a Notary to publish the deed of termination of the Emphyteutical Grant, to determine a day, time and place for the publication of the relative deed and to appoint a third party to execute such deed on behalf of the Emphyteuta in the event that the Emphyteuta fails to appear for the publication of the aforesaid deed on the day, time and place so determined.

Dissolution

(x) The Emphyteutical Grant shall be dissolved 'ipso jure' upon the registration with the Malta Arbitration Centre of the final award to that effect by the arbitration tribunal.

Within seven (7) days of the dissolution of the Emphyteutical Grant by a final arbitration award, the Emphyteuta shall vacate the Property and return, through the execution of such deeds as may be necessary, the Emphyteutical Site with all improvements thereon to the Lands Authority in accordance with the terms of this deed and in case of default the Emphyteuta shall be liable to pay a penalty to the Lands Authority of twenty three thousand two hundred ninety three Euros and seventy four cents (€23,293.74) per day of default for mere delay.

Provided that with effect from the lapse of seven (7) days from the date of the communication of the final arbitration award, the Lands Authority shall be entitled to access the Emphyteutical Site and place a representative on site and the arbitrator shall be entitled to

give all necessary orders in relation to the re-possession of the Emphyteutical Site.

26. RETURN OF PROPERTY ON TERMINATION

On the termination of the Emphyteutical Grant and of the rights granted under this deed by expiration of time, or on dissolution of such grant and termination of such rights for any other reason whatsoever the Emphyteuta shall hand over to the Lands Authority the Emphyteutical Site together with all buildings, and other improvements which shall exist on the Emphyteutical Site at such time, in good state of repair, fair wear and tear excepted, according to law. The Emphyteuta shall have no right to compensation whatever may be the cause of termination, the value of such buildings installations, and other improvements, or the remaining period of the Emphyteutical Grant.

27. TRANSFER OF GOVERNMENT RIGHTS

The Lands Authority shall have the right to sell, assign or transfer in any manner whatsoever the 'directum dominium' of the Emphyteutical Site or the right to receive the payment of the groundrent (as a separate receivable).

Furthermore the parties agree that notwithstanding the assignment, sale or transfer of the 'directum dominium' or the right to receive payment of the ground-rent, all consents or approvals required from the Lands Authority pursuant to this deed shall continue to be exclusively required from the Lands Authority.

28. SEVERABILITY

If any part, clause or provision of this deed shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court of law or other tribunal finds that any provision of this deed is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

29. WAIVERS

No waiver by either party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by the other party of the same or any other provision. Either party's approval or consent to any subsequent act by the other shall not be deemed to render unnecessary the obtaining of any consent or approval of any subsequent act by the other party.

30. ARBITRATION

The parties agree that any dispute, controversy or claim, which may arise out of or in relation to this Emphyteutical Grant, or of any rights granted in virtue of this deed or the breach, termination or invalidity thereof shall be referred to arbitration in terms of part four (IV) (Domestic Arbitration), of the Arbitration Act, Chapter three hundred and eighty seven (Cap. 387) of the Laws of Malta.

31. APPLICABLE LAW

This deed shall be governed by and construed according to the Laws of Malta.

32. NOTICES

Any notice required or permitted to be given in terms of this deed, shall be in writing and may be served personally or by registered mail, return receipt requested. Such notices shall be effective upon delivery.

33. COSTS

All Notarial fees and expenses and other related fees payable upon publication of this deed shall be at the charge of the said Emphyteuta. Each party shall be responsible for the payment of the fees of its own advisors.

34. SECURITY

In order to secure payment of the said groundrent and the proper performance of all the obligations hereby undertaken:

- i. the Lands Authority reserves in its favour the special privilege competent to it by law; and
- ii. in addition to the said privilege established by law in respect of the said Emphyteutical Site, the Emphyteuta hereby hypothecates in favour of the Lands Authority, on whose behalf the said Lands Authority accepts, all of its property in general present and future.

Statutory Declarations

Since the Emphyteuta is a private legal entity, this deed is being signed in accordance with Article thirty-one paragraph letter 'c' (31[c]) of the Government Lands Act, Chapter five hundred and seventy-three (573) of the Laws of Malta.

I, the undersigned Notary declare to have explained to the parties the importance of the veracity of their declarations in respect of the value of the whole Emphyteutical Site. It is hereby declared that the value given to the whole Emphyteutical Site in virtue of this

temporarily emphyteutical grant is fair and just after I explained to the contracting parties about the importance of this declaration.

For the purposes of the Duty on Documents and Transfers Act, Chapter three hundred and sixty four (364) of the Laws of Malta, it is hereby declared that the duty payable on this deed amounts to _____, calculated at the rate of five percent (5%) in terms of the aforementioned law.

For the purposes of the Income Tax Act, Chapter one hundred and twenty three (123) of the Laws of Malta and for the purposes of the Income Tax Management Act, Chapter three hundred and seventy two (372) of the Laws of Malta, it is hereby declared that no capital gains tax is due since the Government is exempt from the payment of tax.

For the purposes of the Immovable Property (Acquisition by Non-Residents) Act, Chapter two hundred and forty six (CAP.246) of the Laws of Malta (hereinafter referred to as “the AIP Act”), _____.

For the purposes of Land Registration Act, Chapter two hundred and ninety six (296) of the Laws of Malta, it is hereby declared that the property is _____.

For the purposes of sub article twelve (12) of Article five capital A (5A) of the Income Tax Act, the parties declare that they have declared to the undersigned notary all the facts that determine if the transfer is one to which article 5A applies and that are relevant for ascertaining the proper amount of tax chargeable or any exemption, including the value which, in their opinion, reasonably reflects the market value of the said property, if this value is higher than the consideration for the transfer. The parties make such declaration after the undersigned notary warned them about the importance of the truthfulness of this declaration of theirs.

For the purposes of Article nine sub article two (9[2]) of the Duty on Documents and Transfers Act, Chapter three hundred and sixty four (364) of the Laws of Malta, it is hereby being declared by all Parties that _____. The Parties make such declaration after the undersigned Notary warned them about the importance of the truthfulness of this declaration of theirs.

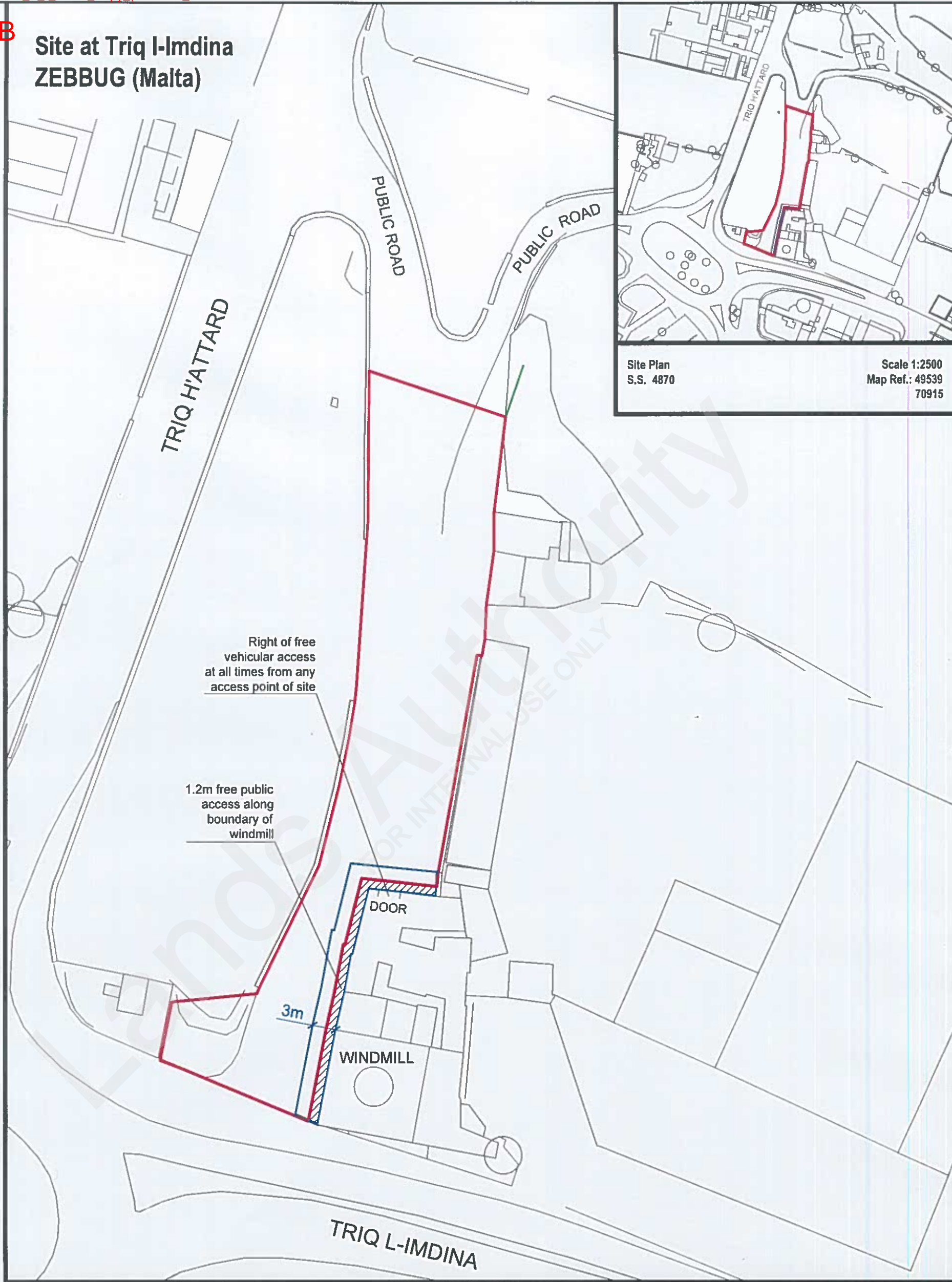
For the purpose of the second proviso to Sub-Article five (5) of Article eighty four letter C (84C) of the Notarial Profession and Notarial Archives Act, it is being declared that paragraph letter ‘d’ of the regulation number four (4) of the Legal Notice regarding the ‘Examination of Title Regulations’, the Notary is exempt ‘*ipso iure*’ from examining the title with regards to the immovable property being acquired by means of this deed and the emphyteuta declares

that I the undersigned Notary explained to them the importance and consequences of such exemption.

This deed has been done, read and published after I the undersigned Notary explained the contents hereof to the parties hereto according to law at

10B

Site at Triq l-Imdina ZEBBUG (Malta)



Site Plan
S.S. 4870

Scale 1:2500
Map Ref.: 49539
70915



PROPERTY No.: E270820

- Area: 1,366m²
- Active overlooking servitude, providing light & ventilation to Government Property from street level upwards.
- Start of ramp to Lower Level of proposed development

Not part of Property No. E270820

OFFICE COPY



Extent interpreted from plans submitted by Applicant and Lands Authority records.



Auberge de Baviere
St. Sebastian Str, Valletta
Phone (00356) 2295 3238/39/40/42
Website landsauthority.org.mt

Estate Management & Business Development

Locality: ZEBBUG (Malta)	
P.D. No.: 2022_0268_A	Scale: 1 : 500
File No.: LJ0153/2022	Drawn by: bugem151

A&CE

Date: **20th October, 2022**