

DRAFT

Before me Doctor of Laws Clyde La Rosa, a Notary Public of Malta, there have personally come and appeared: -

Of the One Part:

who appears on this Deed for and on behalf of the limited liability company "**Casma Limited**" as duly authorised / by virtue of the memorandum and articles of association of the said company / by virtue of a resolution of the board of directors of the said company, a copy of which is being attached with this Deed and marked as document letter "**A**", which company is later on in this Deed referred to as "Casma". Casma is registered with the Registry of Companies of Malta with the letter 'C' number eight nine three zero (C 8930) and its registered office is currently situated at Clock Tower, Level One (1), Tigne` Point, Sliema.

Of the Other Part: -

who appears on this Deed for and on behalf of the limited liability company "**Dragonara Gaming Limited**" as duly authorised / by virtue of the memorandum and articles of association of the said company / by virtue of a resolution of the board of directors of the said company, a copy of which is being attached with this Deed and marked as document letter "**B**", which company is later on in this Deed referred to as "Dragonara". Dragonara is registered with the Registry of Companies of Malta with the letter "**C**" number four nine eight four eight (C 49848) and its registered office is currently situated at Dragonara Casino Complex, Dragonara Road, Saint Julians.

The limited liability companies "Casma Limited" and "Dragonara Gaming Limited" are later on in this Deed jointly referred to as "the Parties".

Identified by me the undersigned Notary by means of the official documents mentioned above.

Definitions

In this Deed the following terms shall have the following meanings respectively assigned to them:

“Commencement Date” means the date of publication of this Deed.

“Concession” means the concession to open and operate a casino from the Property granted by the Minister Responsible for Finance unto Dragonara pursuant to the Concession Agreement.

“Concession Agreement” means Part I of the Original Agreement, relating to the Concession and any general provisions applicable to Part I of the Original Agreement, and shall include Annex 4 to the Original Agreement and any other annexes and/or other documents annexed to the said agreement which relate to the said Part I.

“Deed” means this Notarial deed including all its attachments.

“Deed of Transfer” means the deed of sale in the records of Notary Doctor Peter Fleri-Soler of the thirteenth (13th) day of June, of the year nineteen hundred and ninety (1990) between the “Malta Development Corporation” and “Casma”.

“Emphyteutical Deed” means the deed of temporary emphyteusis in the records of Notary Doctor Joseph Felix Abela of the tenth (10th) day of July, of the year nineteen hundred and sixty three (1963) between the Noble Marchesino Joseph Scicluna and others and the company “The Kursaal Company Limited”.

“Expiry Date” means the eighth (8th) day of March, of the year two thousand and eighty three (2083).

“First Addendum” means the addendum signed on the seventeenth (17th) day of April, of the year two thousand and twelve (2012) between Casma and Dragonara by virtue of which a number of terms and conditions of the Lease Agreement (as defined hereunder) were varied.

“Ground-rent” means the amount due by way of ground-rent under the Emphyteutical Deed, as confirmed in the Deed of Transfer.

“Lease Agreement” means Part III of the Original Agreement relative to the lease of the Property from Casma to Dragonara and any general provisions applicable to Part III of the Original Agreement, and shall include any annexes and/or other documents annexed to the said agreement which relate to the said Part III.

“Licence” means the licence granted by the Lotteries and Gaming Authority (now renamed the ‘Malta Gaming Authority’) unto Dragonara in terms of Part II of the Original Agreement thereby authorising Dragonara to conduct gaming activities from the Property, and shall include Annex 5 to the Original Agreement and any other annexes and/or other documents annexed to the said agreement which relate to the said Part II.

“Original Agreement” means the agreement dated 30 June 2010 entered into by and between the Parties hereto, the Minister Responsible for Finance and the Lotteries and Gaming Authority (now renamed the ‘Malta Gaming Authority’) consisting of and regulating the grant of the Concession by the Minister Responsible for Finance (Part I of the Original Agreement), the grant of a licence by the Lotteries and Gaming Authority unto Dragonara to carry out gaming activities from the Property (Part II of the Original Agreement) and the granting of a lease by Casma unto Dragonara (Part III of the Original Agreement) in relation to the Property.

“Property” shall have the same meaning assigned to the term in clause one point one (1.1) of this Deed.

“Security Interests” means any privilege, mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance or any other agreement or arrangement having substantially the same

economic effect and includes any security contemplated in the Civil Code, Chapter 16 of the Laws of Malta.

“Restoration Works” means all works which Dragonara shall carry out in connection with the renovation and restoration of the Property or parts thereof, as better described in the list attached hereto and marked as document letter **“E”**.

“Sub-Emphyteutical Grant” or the **“Grant”** means the grant by title of Sub-Emphyteusis over the Property which is being made by Casma unto Dragonara in terms of this Deed.

“Sub-Ground-Rent” means the annual and temporary sub-ground-rent which is payable in terms of clause two (2) of this Deed.

“Term” means the duration of the Sub-Emphyteutical Grant, that is the period which shall start running as from the Commencement Date up to the Expiry Date.

“Undesirable Person” means a person who:

- (a) has been convicted by a Maltese Court or tribunal of a crime, wherever committed:
 - (i) against the safety of the Government in terms of Articles 55 to 59, both articles included, of the Criminal Code (Chapter 9 of the Laws of Malta);
 - (ii) against public safety in terms of Articles 311 to 317, both articles included, of the Criminal Code;
 - (iii) specified in the Schedule to the Extradition Act (Chapter 276 of the Laws of Malta) and for a term of imprisonment of more than three (3) years;
 - (iv) against the Prevention of Money Laundering Act (Chapter 373 of the Laws of Malta);
 - (v) in violation of Articles 307 to 315 (both articles included) of the Companies Act (Chapter 386 of the Laws of Malta) and in violation of Article 191 of the Criminal Code;

- (vi) against Sub-Titles IV A and B of Title IX of Part II of Book First of the Criminal Code;
 - (vii) any breach of the laws of another country as determined by a foreign court of law/tribunal, consisting of crimes substantially equivalent to those specified in paragraphs (i) to (vi) above referred.
- (b) 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 365 of the Laws of Malta and / or other applicable law, and this for such time as such sanctions remain in force.
- (c) 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.
- (d) is insolvent or bankrupt and unable to pay his debts as they fall due.
- (e) being a legal entity, any of the directors or other officers thereof or any of shareholders thereof 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 or of a similar law of another jurisdiction to which the director or officer is a subject and this for as long as such person remains so disqualified.

Preamble

The Parties to this Deed declare and premise that:

- i. By virtue of the Emphyteutical Deed the Noble Marchesino Joseph Scicluna and others granted by title of temporary emphyteusis unto the company "The Kursaal Company Limited" which accepted and by title of temporary emphyteusis acquired the Property and other adjacent immovable property for a period of one hundred and twenty (120) years to be reckoned from the ninth (9th) day of March, of the year nineteen hundred and sixty three (1963), for such ground-rent and under the terms and conditions set out in the Emphyteutical Deed.
- ii. By virtue of a judicial sale by auction held on the twenty ninth (29th) day of June, of the year nineteen hundred and eighty four (1984) the "Malta Development Corporation" acquired from the company "The Kursaal Company Limited" the temporary utile dominium of the Property and other adjacent immovable property for a period of one hundred and twenty (120) years to be reckoned from the ninth (9th) day of March, of the year nineteen hundred and sixty three (1963).
- iii. By virtue of the Deed of Transfer the "Malta Development Corporation" sold and transferred unto Casma the temporary utile dominium of the Property for a period of one hundred and twenty (120) years to be reckoned from the ninth (9th) day of March, of the year nineteen hundred and sixty three (1963).
- iv. By virtue of the Lease Agreement, Casma granted by title of lease unto Dragonara the Property for a period of ten (10) years with effect from the thirtieth (30th) day of June, of the year two thousand and ten (2010), for the rent and subject to the other terms and conditions mentioned in the said Lease Agreement, which *inter alia* contemplated the extension thereof by agreement between the Parties.
- v. By virtue of the First Addendum Casma and Dragonara varied a number of terms and conditions of the Lease Agreement.
- vi. In terms of the Lease Agreement, Dragonara undertook to make substantial capital investments in upgrading, modernising and refurbishing the Property. Dragonara effected investments, in total

amounting to seventeen million euro (€17,000,000), prior to the time-frames stipulated in the Lease Agreement and in excess of its investment obligations arising from the Lease Agreement.

vii. In addition to the substantial capital investments mentioned in the immediately preceding paragraph, Dragonara has effected from the date of the commencement of the Lease Agreement and continues to effect to date, substantial product upgrade, maintenance and repairs to the Property and in so doing Dragonara has incurred and continues to incur significant costs. Casma and Dragonara acknowledge that the Property requires substantial maintenance and repairs on an ongoing basis in view of the fact that the building and surrounding perimeter walls are scheduled and surrounded by the sea and exposed to all natural elements.

viii. In view of the significant and substantial maintenance and investments required to the Property or parts thereof, which Dragonara must undertake, including the Restoration Works, and the obligations undertaken by Dragonara in relation to the secondment of the employees of Casma to Dragonara in terms of clause 13 below, Dragonara has requested Casma that (a) the Property be transferred to Dragonara by title of sub-emphyteusis up to the Expiry Date, and (b) during the first fifteen (15) years of this Deed the Sub-Ground-Rent takes into account the assumption by Dragonara of Casma's maintenance obligations under the Emphyteutical Deed, the investment to be made by Dragonara in connection with the Restoration Works and the obligations assumed by Dragonara in relation to the seconded employees. Casma has acceded to such request, subject to the terms and conditions of this Deed

1. Grant on Sub-Emphyteusis

1.1 Now therefore by virtue of this Deed Casma hereby grants by title of temporary sub-emphyteusis unto Dragonara, which accepts and acquires by the same title of temporary sub-emphyteusis with effect from the Commencement Date until the Expiry Date the building without an official number and known as the "Casino" and the adjoining lands, which building and adjoining lands are accessible from a private driveway which abuts onto Dragonara

Road, Paceville in the limits of Saint Julians. The said building and adjoining lands together have a superficial area of approximately sixteen thousand one hundred and thirty (16,130) square metres and are bordered on the south-west by property of the company "Peninsula Investments Limited" or its successors in title and on the north, north-east, south and east by the sea. The said building and adjoining lands are later on in this Deed together referred to as "the Property". The Property is shown outlined in red on the plan which is attached to a deed in my records of the twenty seventh (27th) day of June, of the year nineteen hundred and ninety (1990) and there marked as document letter "C".

The Property is accessible from and enjoys a servitude of a right of way by foot and vehicle over the private driveway which abuts onto Dragonara Road, Paceville in the limits of Saint Julians, which private driveway is shown shaded in pink on the plan which is attached to the Deed of Transfer whereby the said servitude was created. The said private driveway is also shown shaded in pink in the deed my records of the twenty seventh (27th) day of June, of the year nineteen hundred and ninety (1990) and there marked as document letter "C". In the said deed, the owner of the said driveway had undertaken to keep the said driveway in a good state of repair and clear for the passage of motor vehicles at all times. In terms of the latter deed the Property shall also enjoy over the "Westin Dragonara Resort" formerly known as the "Dragonara Palace Hotel" in Dragonara Road, Paceville, in the limits of Saint Julians, as described in detail in the said deed, all servitudes considered by law as having been created by the disposition of the owner of two tenements.

1.2 The Property is hereby being granted on temporary sub-emphyteusis *tale quale*, in its current state and condition, as seen and inspected by Dragonara, with all its rights and appurtenances, including its overlying airspace and its underlying sub-terrain as presently occupied by Dragonara Gaming Limited under title of lease which lease is being hereby terminated in virtue of clause 13 of this Deed, and otherwise free from any other occupants or third party possessors.

1.3 This Deed shall be governed by the terms and conditions set out herein, by the provisions of the Emphyteutical Deed in so far as

they are applicable to the Property, by the provisions of the Deed of Transfer and, except to the extent that they are excluded or modified by virtue of the said deeds and by virtue of the present Deed, by the provisions of the Civil Code, Chapter sixteen (16) of the Laws of Malta relating to emphyteusis.

2. Sub-ground-rent

2.1 The annual and temporary Sub-ground-rent to be paid by Dragonara to Casma during the Term of this Deed shall be as follows (the “**Sub-Ground-Rent**”):

(a) for the first fifteen (15) years, **five hundred thousand Euro (€500,000)**;

(b) for the remaining duration of the Term, **one million Euro (€1,000,000)** subject to an increase of five per cent (5%) every five (5) years thereafter, with the first increase being applicable on the twenty-first (21st) year.

2.2 The Parties agree that the Sub-Ground-rent includes the Ground-rent payable for the Property in terms of the Emphyteutical Deed and the Deed of Transfer.

2.3 The Sub-ground-rent shall be payable every three (3) months in advance. The payment of the first instalment of Sub-Ground-Rent is being paid on this Deed.

2.4 The Ground-rent shall be paid by Casma to the *dominus directus* of the Property. Casma undertakes to furnish Dragonara with evidence of the payment of the Ground-rent to the *dominus directus*. If evidence of such payment is not forthcoming within fifteen (15) days in which Casma is called upon to do so by judicial letter and the Ground-rent for that particular year has in fact not been duly paid to the *directus dominus*, Dragonara or its assignees shall have the right to pay the Ground-rent directly to the *directus dominus* and the sum so paid shall be deducted from the Sub-Ground-Rent due in terms of this Deed. Casma is hereby delivering to Dragonara evidence of the last payment of the Ground-rent by Casma to the *dominus directus*, and for which Dragonara hereby tenders due acknowledgement and receipt on this Deed.

2.5 In warranty of the punctual payment of the Sub-Ground-Rent and of the performance and observance of the conditions herein stipulated in this Deed, Casma is hereby reserving onto itself the special privilege over the Property to which it is entitled in terms of law.

3. Servitudes and Encumbrances

3.1 Save for the Ground-Rent due on the Property, the Sub-Ground-Rent, the privileges and hypothecs arising from this Deed, the Emphyteutical Deed and the Deed of Transfer, the Property is hereby being transferred as free and unencumbered from any other ground-rents, burdens, servitudes, hypothecs, privileges, charges, cautions, enforcement orders and free from any other rights, both real and personal and of whatever type or nature in favour of third parties, free from litigation and with vacant possession.

3.2 Dragonara shall be entitled to grant or create or suffer to subsist any Security Interest over the Property, including any of the facilities, public areas, or any building or construction thereon, and over all or any of its rights under this Deed as may be required by Dragonara in connection with the Restoration Works, any other works in connection with the Property and/or the operation and carrying out therefrom of the business activities permitted in terms of clause 3A (*Permitted Use*).

3A. Permitted Use

Subject to obtaining and maintaining in force at all times any permits, licence, authorisations and/or concessions as may be required in terms of applicable laws and regulations from time to time, Dragonara shall be permitted to use the Property exclusively for commercial purposes, for any one or more of the following purposes:

- (i) land-based casino and/or other gaming activities;
- (ii) retail;
- (iii) catering;
- (iv) entertainment;

- (v) hospitality;
- (vi) tourism;

in each case including any activities as may be ancillary to the activities mentioned under paragraphs (i) to (vi) above.

4. Warranties Given by Casma

4.1 Casma hereby warrants in favour of Dragonara, which accepts, the good title, peaceful possession and the real enjoyment of the Property and for this purpose Casma hereby grants to Dragonara, which accepts, a general hypothec over all its property, present and future and for the purposes of the relative inscription of the said hypothec in the Public Registry the Parties fix the sum of five million Euro (€5,000,000).

4.2 Casma also warrants and guarantees in favour of Dragonara, which accepts, that:

- a. It is not in default in any of its obligations arising from the Emphyteutical Deed or Deed of Transfer which could in any way cause the dissolution of the Emphyteutical Deed or the Deed of Transfer in so far as this concerns the Property; and
- b. there are no proceedings pending or threatened by or against Casma in connection with and/or relating to the Property and that there are no circumstances which are likely to give rise to any litigation or arbitration involving Casma in connection with and/or relating to the Property; and
- c. upon a request from Dragonara, it shall provide its full support to assist Dragonara with its applications for any application process for development permits as may be required by Dragonara in connection with the Restoration Works; and
- d. the execution, delivery and performance of this Deed by it has been duly authorised by all necessary corporate action and in terms of any applicable laws, and this Deed constitutes its valid, binding and enforceable obligation.

5. Transfer of the Temporary Sub-Utile Dominion and Payment of Laudemium

5.1 Subject to the payment of the *laudemium* as stipulated in clause five point two (5.2), Dragonara shall be entitled to transfer the whole but not a part of the temporary sub-utile dominium to third parties, provided that the proposed transferee is not an Undesirable Persons.

5.2 A transfer of title as contemplated under clause 5.1 shall require payment by Dragonara or its successors in title (qua transferor) of a *laudemium* equivalent to one-year's Sub-Ground-Rent then current for each and every future transfer of the temporary sub-utile dominium over the Property. Dragonara or its successors in title (qua transferor) shall be precluded from transferring the temporary sub-utile dominium to an Undesirable Person. For this purpose, Dragonara shall be required to deliver to Casma the details of and other due diligence information as may be required and requested by Casma on the proposed transferee of the temporary sub-utile dominium over the Property prior to any such transfer. Unless Casma notifies Dragonara, within fifteen (15) days from receipt of the relevant information regarding the proposed transferee, that the proposed transferee qualifies as an Undesirable Person and that therefore the transfer is prohibited, the transfer shall be deemed to have been duly authorised by Casma and the *laudemium* shall become due and payable on publication of the relative deed of transfer.

5.3 The Parties acknowledge that, in terms of clause 6 of the Emphyteutical Deed, Casma must notify the *directus dominus* of any transfer of the Property or any part thereof by sending by registered post to the *directus dominus* a copy of the deed of transfer within one (1) month of the date of transfer. Casma binds itself to, within two (2) weeks from the date of publication of this Deed, provide evidence to Dragonara that it has complied with its obligation to notify the transfer made pursuant to this Deed as set out in terms of clause 6 of the Emphyteutical Deed.

5.4 Dragonara acknowledges that in terms of clause five (5) of the Emphyteutical Deed, a laudemium is due to the *directus dominus* of the Property consequent to the present deed which is calculated at the rate one pound sterling (£1) per square cane which is equivalent to four point three nine one one (4.3911) square metres. Dragonara binds itself to effect payment of such laudemium in terms of what is stipulated in the Emphyteutical Deed.

6. Alterations, Maintenance and Repairs

6.1 Dragonara shall at its sole and exclusive expense at all times keep the Property (including any improvements made thereto or thereon) in a good state of repair. All maintenance to the Property and all ordinary and extraordinary repairs to the Property shall be carried out by Dragonara at its sole and exclusive expense.

6.2 Dragonara may at any time make any alterations, structural or otherwise, and make any other improvements to the Property as it deems fit, subject to compliance with any obligations arising from this Deed, the Emphyteutical Deed or Deed of Transfer, as well as all planning laws and regulations.

6.3 Without prejudice to the generality of the forgoing, Dragonara shall at its own sole risk and exclusive expense carry out the Restoration Works.

6.4 Any works of any nature and whatever their entity required to be effected by law or by order of the competent authorities at any time during the Term shall be carried out by Dragonara at its sole and exclusive expense.

6.5 Dragonara and its successors in title, 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).

6A. Antiquities/ Finds

6A.1 Dragonara shall give immediate notice to Casma 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 Property.

6A.2 On obtaining information of each such discovery Casma shall have the right to access any part of the Property 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 shall have the right to rescind this Deed in respect only of the part(s) of the Property where these finds are or may be found unless, in so far as it is permitted by any applicable laws, Dragonara notifies Casma that it shall be integrating such part(s) in the Property.

6A.3 Dragonara shall have itself the right to demand the rescission of the Deed be extended to the whole of the Property if it proves that the retention by itself of the remaining part of the Property after detaching parts where finds are or may be found would render the use and operation of its business from the Property not economically viable.

7. Compliance with Law

7.1 Dragonara shall during the Term, at its sole and exclusive expense, be responsible for the procurement and maintenance in force, of all licenses and permits which may be required in connection with the use of the Property as permitted in terms of clause three letter A (3A).

7.2 All burdens, future taxes, rates, impositions, or other charge whatsoever imposed by law on the owners of immovable property shall during the continuance of this Deed be paid by Dragonara, which shall have no right to demand reimbursement thereof in whole or in part at any time whatsoever.

8. Insurance

8.1 Dragonara shall, at all times during the Term, insure and keep insured at its sole and exclusive expense, the Property. Such insurance shall be against loss or damage by fire, explosion and similar risks relating to the line/s of business being effected from the Property. The insurance of the building shall be for an amount of five million euro (€5,000,000) for injury or death to any one person, per occurrence, and five million euro (€5,000,000) for damage to the Property.

8.2 Dragonara shall furnish to Casma copies of the insurance policy or policies and of certificates of renewal of the insurance required to be procured above, upon Casma's request.

8.3 Should Dragonara fail to pay any insurance premium as it falls due, Casma may pay such premium and recover the same from Dragonara.

8.4 Should Dragonara fail to procure the insurance required under this clause nine (9), Casma may procure the insurance on behalf of Dragonara. Dragonara shall be bound to promptly refund the said premium to Casma on Casma's demand.

8.5 In the case of destruction or damage to the Property or any part thereof by any of the risks insured against, the money received in respect of the rebuilding and/or repairing of the Property or any part thereof shall be used in rebuilding and/or repairing the Property or any part thereof.

9. Intellectual Property

9.1 With effect from this Deed any and all intellectual property that may exist at the Commencement Date related to the business which has been operated in the Property shall vest solely and exclusively with Dragonara. In this respect Casma binds itself in favour of

Dragonara, which accepts, to sign all such documents required for the formal assignment of such intellectual property to Dragonara.

9.2 The Parties further agree than any other intellectual property rights, inventions, developments, concepts, improvements, designs, discoveries, ideas, trademarks, and trade secrets conceived or developed, or caused to be conceived or developed by Dragonara during the duration of this Deed shall remain the property of Dragonara and shall not be assigned or transferred to Casma whether during or at the expiry or earlier termination of this Deed.

9A Event of Default

9A.1 The occurrence of one or more of the following events (in this Deed collectively referred to as the "Events of Default" and each one an "**Event of Default**") shall constitute a default and breach of the Deed by Dragonara which shall, save as provided hereunder, entitle Casma to dissolve the Deed:

- (a) if Dragonara fails to pay the Sub-Ground-Rent for two (2) consecutive times or if, although it has made part payments in each year, a sum equal in amount to three (3) years' Sub-Ground-Rent is still owed to Casma whether by way of Sub-Ground-Rent or interest thereon; or
- (b) if, the Property is used for any purpose other than the Permitted Use, unless Casma has consented in writing to such other purpose; or
- (c) if Dragonara becomes insolvent, a winding up order against Dragonara is made by a Court, a liquidator is appointed to take over the affairs of Dragonara, a resolution for the voluntary winding up of Dragonara is passed, the sanctioning by a Court of a compromise or arrangement involving Dragonara in terms of Article 327 of the Companies Act (Chapter 386 of the Laws of Malta) is made;
- (d) Dragonara abandons the Property or ceases to conduct business operations therefrom for a period exceeding six (6) months. Provided however that this clause 9A.1(d) shall not

be applicable to any period during which Dragonara is undertaking works in or around the Property, or is precluded from operating the Property for reasons beyond its reasonable control;

- (e) Dragonara effecting any prohibited transfers/alienations of any part of the Property;
- (f) Dragonara is in material breach of its obligations in terms of the provisions of this Deed.

9A.2 On the occurrence of any one of the Events of Default which Dragonara fails to remedy despite notice by Casma to this effect and the lapse of a cure period of ninety (90) days or such longer period as may be reasonably necessary for the cure (if and when such cure is possible) Casma may, at any time thereafter, by notice by judicial letter to Dragonara demand the dissolution of the Deed and the reversion of the Property in its favour.

9A.3 If Dragonara breaches any obligation under this Deed other than the obligations set out in clause 9A.1, Casma shall give Dragonara notice of breach and Dragonara shall have a period ninety (90) days, or such longer period as may be reasonably necessary for the cure, within which to cure the breach. If the Dragonara fails to cure the breach within the time allowed for such purpose, Casma shall be entitled to the remedies of specific performance or damages, but shall not be entitled dissolve the Deed.

10. Termination

10.1 Upon the termination of this Deed at any time and for whatever reason, Dragonara shall return the Property, including all building improvements made to the Property, in a good state of repair and in good condition, fair wear and tear accepted.

11. Dissolution of this Deed by Dragonara

11.1 The Parties declare and acknowledge that the Property is presently covered by the Concession and that Dragonara holds a Licence relating to the operation of such Concession and to other gaming activities presently conducted from the Property. Casma is not and in entering in this Deed shall not be construed as in anyway guaranteeing that the Property will, following the expiry of the term stipulated in Annex 4 to the Concession Agreement, continue to enjoy such Concession, nor that Dragonara will continue enjoying the Licence or any other licences, permits or authorisations presently covering the operation of a casino and other gaming activities from the Property. Provided however that, should Dragonara be unable to procure and retain any and all relevant permits to operate a land-based casino and gaming establishment, Dragonara shall, without any liability whatsoever, have the right to renounce to the Emphyteutical Grant and therefore rescind this Deed.

12. Lease of Movable

12.1 By virtue of this Deed, Casma is hereby granting by title of lease unto Dragonara, which accepts and takes by title of lease, with effect from the Commencement Date until the Expiry Date the movable items listed in the inventory which is being attached to this Deed and marked as document letter "F", later on in this Deed referred to as the "Movable Effects".

12.2 The lease of the said Movable Effects is being made and accepted for the nominal rent of one euro (€1) per annum. The said rent is payable together with the Sub-Ground-Rent which is payable in terms of this Deed.

12.3 Dragonara acknowledges that it has inspected the Movable Effects and accepts them in a "*tale quale*" condition and without any warranty for any defect that they might have, whether such defect is apparent or latent.

12.4 The Movable Effects shall not be removed from the Property and shall be returned to Casma at the termination of the lease in the

same state and condition as they were delivered at the commencement of this lease, fair wear and tear accepted.

12.5 The lease of the Movable Effects shall terminate contemporaneously with the expiry or earlier termination of this Deed.

13. Termination of Lease Agreement

13.1 Subject to what is stated later on in this same clause, Casma and Dragonara are hereby terminating with effect from the Commencement Date the Lease Agreement and the First Addendum. Notwithstanding such termination, Article Three point Four (3.4), Article Six point Four (6.4), Article Ten (10) and Article Eleven (11) of the Lease Agreement shall be deemed to be incorporated in this Deed and shall continue to have full force and effect for the duration of this Deed and references therein to the terms 'Lease', 'Premises' and 'Operator' shall, as from the Commencement Date, be construed as references to this Grant, the Property and Dragonara respectively. Provided that Articles Ten (10) and Article Eleven (11) of the said Lease Agreement shall cease to have effect on such date when all persons seconded to Dragonara in terms of the Lease Agreement have retired, resigned or deceased, if any of these events occur prior to the termination or expiry of this Deed. For the avoidance of doubt, the Concession Agreement and the Licence shall be unaffected and shall therefore remain in full force and effect until the expiry of the respective terms stipulated in the Original Agreement or the earlier termination of the Original Agreement or any part thereof in accordance with the terms of the Original Agreement, as the case maybe.

13.2 Casma and Dragonara declare that the termination of the said Lease Agreement and the First Addendum is being made and accepted without any consideration whatsoever.

13.3 Casma hereby declares that Dragonara has fulfilled its obligations arising out of the Lease Agreement and the First Addendum, in particular Dragonara has fulfilled its obligations arising out of Article Four (4) of the Lease Agreement. Casma further

declares that it has received all rent due to it until the (INSERT THE DATE OF SIGNATURE OF THIS DEED), of the current year two thousand and nineteen (2019) and for which it hereby tenders due acknowledgement and receipt on this Deed. As a consequence Casma is hereby declaring that the Bank Guarantee issued by "Bawag Bank Malta Ltd." and dated the fifth (5th) day of July, of the year two thousand and twelve (2012) with reference two thousand and twelve stroke one thousand and one (2012/1001) which Dragonara had given to Casma in terms of the Lease Agreement and the First Addendum to warrant Dragonara's due and proper performance of all its obligations arising out of the Lease Agreement and the First Addendum is no longer required, and Casma is returning the said Bank Guarantee (in original) to Dragonara. Dragonara declares that it is receiving the said Bank Guarantee from Casma and for which it hereby tenders due acknowledgement and receipt on this Deed.

13A Access Rights

13A.1 Dragonara shall permit Casma, through its appointed representatives, to have access to any part of the Property 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 operations of Dragonara therefrom. When requested to do so by Casma at least twenty-four (24) hours in advance, Dragonara shall give Casma's appointed representatives all possible assistance to enable them, to verify whether the conditions of this Deed are being, or have been complied with.

13B Interest

13B.1 Any sum due by Dragonara to Casma by virtue of any of the provisions of this deed shall, if not paid within thirty (30) days from the date due, be due with interests at rate of eight percent (8%) which shall run from the date due and until it is so paid.

14. Conditions Applicable to the Successors in Title

All obligations being undertaken by a Party by virtue of this Deed shall be binding on such Party's successors in title and are to be incorporated in all future transfers of the Property or any part thereof.

15. Severability

The invalidity or unenforceability of any provision of this Deed, as determined by a Court of competent jurisdiction or as a result of arbitration, shall in no way effect the validity or enforceability and any other provisions of this Deed.

16. Force Majeure

16.1 If either party is prevented from doing, accomplishing or performing any act or thing required by either party under the terms of this Deed due to causes beyond its reasonable control, including but not limited to acts of God, war (whether declared or undeclared), civil commotion, labour disputes, strikes, fires, floods or other casualty, government regulation or restriction, the time provided in this Deed for doing, accomplishing or performing such act or thing shall be extended in order to provide it with the same number of days to accomplish or perform such act or thing after termination of such causes, as it would have had in the absence of such causes. This clause shall also apply in the case that any one of the Parties is obliged to do, accomplish or perform any act by a supranational authority.

16.2 Casma and Dragonara acknowledge that the obligations and financial and other commitments being undertaken by Dragonara in terms of this Deed are long term obligations and commitments and that during the period of this Deed exceptional, social and other circumstances, in particular circumstances relating to the business operated from the Property, may arise which could not reasonably have been foreseeable at the time of this Deed and that, if they were to occur, would render the continued performance of Dragonara's obligations under this Deed significantly different to the obligations

originally contracted to the extent that their performance would be excessively onerous on Dragonara.

Casma and Dragonara further acknowledge that some of these unforeseeable circumstances may be addressed by an adjustment to the provisions of this Deed, including the financial provisions of this Deed, whilst others may not be satisfactorily and equitably addressed by such adjustments. In the event of that the circumstances mentioned in this clause arise, Dragonara shall give written notice to Casma and Casma and Dragonara shall not later than ten (10) days after the receipt of such notice by Casma enter into good faith discussions with a view to amending the provisions of this Deed for the purpose of removing any disproportionate economic hardship and restore, to the extent possible and practicable, the contractual balance between the Parties prior to the disruption by exceptional and unforeseeable events. The Parties shall allow a period of three (3) months after the commencement of such discussions during which they shall seek a mutually satisfactory solution. In the event that following the lapse of three (3) months during which the Parties have conducted good faith discussions the Parties still cannot reach a mutually acceptable agreement, either party shall be entitled by notice in writing to the other to call for a mediator to try and resolve the matter through discussions in good faith between the Parties.

17. Notices

17.1 Unless otherwise expressly provided in this Deed, any notice, notification or other communication under or in connection with this Deed 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 Deed:

Name: Casma Limited
Address: [-]
Attention: [-]

Name: Dragonara Gaming Limited
Address: [-]
Attention: [-]

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

- (i) If sent by hand or recorded delivery when so delivered;
- (ii) If sent by pre-paid first class post from and to any place within Malta, three days after posting, unless otherwise proven.

17.2 Casma hereby declares that any notice, notification or other communication to the directus dominus under or in connection with the Emphyteutical Deed is currently provided to:

Name: [-]
Address: [-]
Attention: [-]

18. Governing Law

This Deed shall be construed and governed in accordance with the laws of Malta.

19. Fees and Expenses

The duty on documents and the Notarial fees and expenses relative to this Deed are at the charge of Dragonara. Each of the Parties shall pay the fees and expenses of its legal advisor.

Statutory Declarations

For the purposes of the Duty on Documents and Transfers Act of the year nineteen hundred and ninety three (1993), Chapter three hundred and sixty four (364) of the Laws of Malta it is hereby declared that: -

- (a) The duty on documents due on this Deed amounts to (INSERT AMOUNT).

(b) The Property was acquired by Casma by means of an onerous title from the "Malta Development Corporation" by virtue of a deed of sale in the records of Notary Peter Fleri-Soler of the thirteenth (13th) day of June, of the year nineteen hundred and ninety (1990).

For the purposes of the Income Tax Management Act of the year nineteen hundred and ninety four (1994), Chapter three hundred and seventy two (372) of the Laws of Malta and the Income Tax Act of the year nineteen hundred and forty eight (1948), Chapter one hundred and twenty three (123) of the Laws of Malta: -

(a) The appearers to the present Deed declare that they have declared to the undersigned Notary all the facts that determine if the present transfer is one to which article five 'A' (5A) of the Income Tax Act 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 said appearers make this declaration after the undersigned Notary has warned them about the importance of the truthfulness of this declaration.

(b) It is hereby declared that in terms of article five (5) sub-article two (2) (c) (iii) of the Income Tax Act where immovable property is granted on emphyteusis or sub-emphyteusis for a period exceeding fifty (50) years no account shall be taken of any ground-rent or increase in ground-rent involved in the transfer unless and until such ground-rent or increase in ground-rent is redeemed, or the directum dominium or subdirectum dominium, is transferred.

For the purposes of the Immovable Property (Acquisition by Non-Residents) Act of the year nineteen hundred and seventy four (1974), Chapter two hundred and forty six (246) of the Laws of Malta, (INSERT NAME) , on behalf of Dragonara declares that Dragonara qualifies to acquire the Property above described without the necessity of obtaining a permit under the said Act as: -

(a) It is constituted, formed, established, incorporated and registered in and under the laws of Malta;

(b) It has its registered address, principal place of residence and of business in Malta;

(c) More than seventy-five per cent (75%) of its shares or other capital is owned by resident persons in terms of the said Act and namely by citizens of Malta who have been resident in Malta for a minimum continuous period of five (5) years at any time prior to this day; and

(d) It is not in any manner and whether directly or indirectly controlled by one or more non-resident persons.

The said (INSERT NAME) in his aforesaid capacity makes this declaration after having been duly warned by the undersigned Notary of the importance of the truthfulness of such declaration.

For the purposes of the Land Registration Act, Chapter two hundred and ninety six (296) of the Laws of Malta, an official search form (Form E) issued by the Land Registry of Malta is being attached with this Deed and marked as document letter "D" which indicates that the Property above described is not situated in a registration area.

This deed was done, read and published by me the undersigned Notary after having explained its contents to the appearers according to law at Malta, Sliema, number forty (40), Guze` Howard Street corner with Sir Adrian Dingli Street, "Dingli Court", apartment number one (1).

Restoration Works

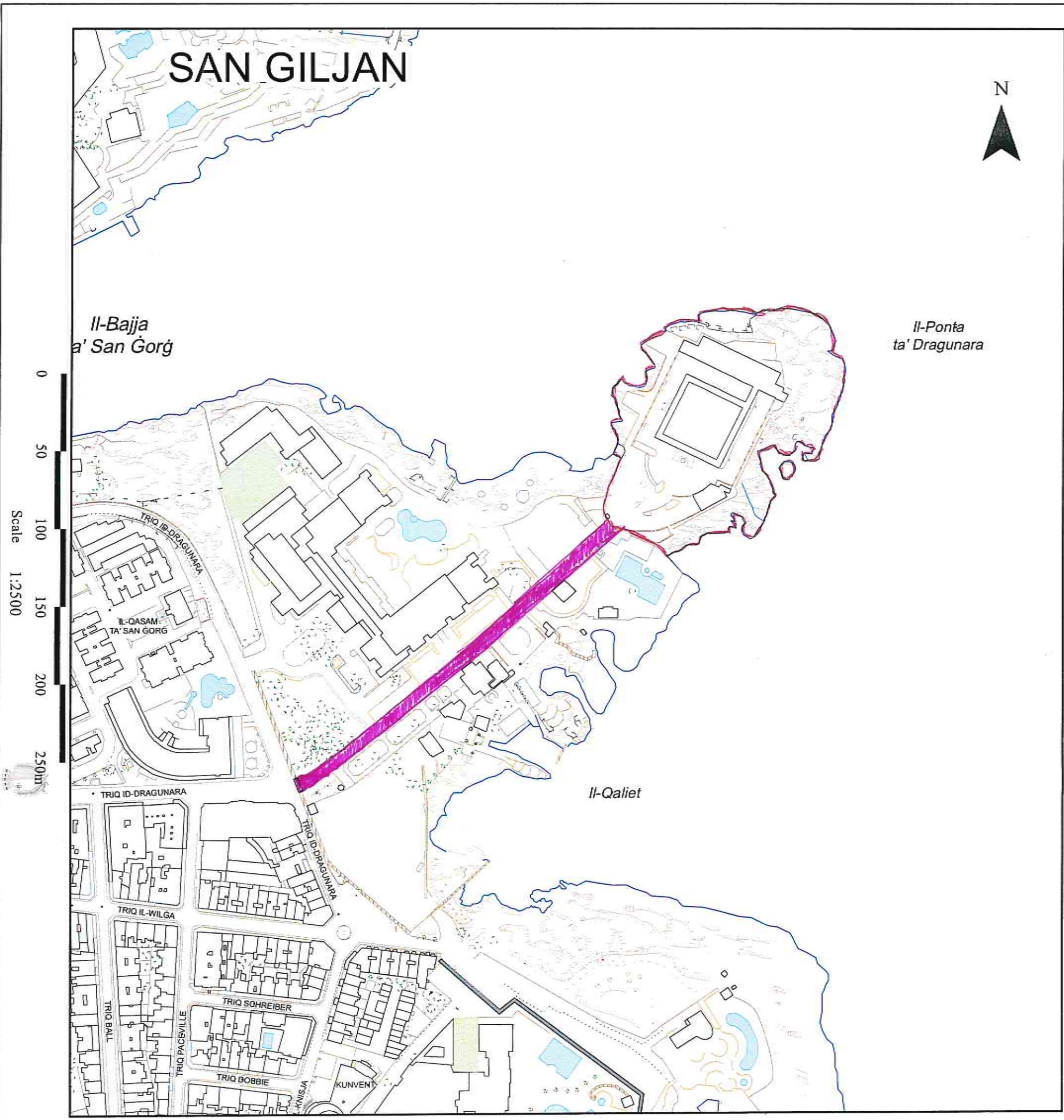
Restoration of Surrounding Fortification Walls of the Dragonara Peninsula
Restoration of All Main Palace Architectural Ceilings
Restoration of All Painted Ceilings at the Main Palace
Restoration and Consolidation of the Internal Colonnade of the Main Palace
Restoration and Consolidation of all Ceilings at Semi Basement level of the Main Palace
Installation of an Architectural Lighting System for Surrounding Fortification Walls and Main Palace
All Other Restoration Works Needed to the Property
Soft and Hard Landscaping Around the Property

The value of these works is expected to reach four million Euro (€4,000,000).

Movable Effects

Inventory Number	Description
12/99	Country scene with boy drinking from pond
18/99	One (1) of two 19 th century gilt wood and gesso highly decorated salon mirrors with carved floral garland designed. Approximate Size 2 x 1 meter
19/99	One (1) of two 19 th century gilt wood and gesso highly decorated salon mirrors with carved floral garland designed. Approximate Size 2 x 1 meter
47/99	Victorian style spiral staircase with highly decorated iron floral design and brass handrail with statue at the lower end
49/99	One (1) Regency period D-end telescopic table with six centre leaves in mahogany on eight carved and tapered feet. Approximate size 4.3 x 1.2 meters
54/99	One (1) Queen Anne style three seater settee, carved back having scroll armrests and carpine feet upholstered in gold colored damask
55/99	One (1) elegant Regency drop-side table in mahogany with pie-crust bevelled top standing on a column with carved scroll-feet

LR 107382



Scale 1:2500



Gvern ta' Malta

Government of Malta

Registru ta' l-Artijiet

Land Registry

Casa Bolino, 116, Triq il-Punent, Valletta

Casa Bolino, 116, Triq il-Punent, Valletta



Nru tal-Mappa: 119871 M	Pozizzjoni Ċentrali: x = 54384	Parti min S.S.: 5476	Data: 23/04/2019
Map Number:	Centre Coordinates: y = 76001	Extracted from S.S.:	Date:
Perit: Architect:	Qies (metri kwadri): Area (square metres):	Firma ta' l-Applikant: Applicant's Signature:	Dritt imhallas Fee Paid
Timbru tal-Perit: Architect's Stamp:			