

A promise of sale and purchase agreement signed this _____ day of _____ of the year two thousand and five (___/___/2007) (this Agreement), between:

The Parties

Of the first part:

Andrew Colin Cross, a company director, a son of Leonard Bertram Cross and Eileen Mary nee Higgs, born in London, England, and residing at Kent, England, holder of British passport number 038569851, who appears on this Agreement in the name and on behalf of Madliena Village Limited formerly called Town Investments Limited, a limited liability company registered in Malta with registration number letter C2702, and registered office at Administrative Office, Madliena Village, Fortizza Road, Madliena, NXR09, in this Agreement referred to as "the Vendor"; as duly authorised by virtue of the Memorandum and Articles of Association of Madliena Village Limited.

Of the second part:

in this Agreement referred to as "the Purchaser".

The Vendor and the Purchaser in this Agreement together referred to as "the Parties".

Whereby it is agreed by and between the Parties as follows:

Definitions and Interpretation

"this Agreement" shall mean and include:

i. this document and the documents and plans signed by the Parties and attached hereto;

ii. Annex One (1) entitled "Definitions, Rules of Interpretation and Other Terms and Conditions applicable to promise of sale and purchase agreements entered into for the sale and purchase of apartments/penthouses and /or garages in Madliena Village, Madliena limits of Gharghur."; and

iii. Annex Two (2) entitled "Specifications";

which documents and annexes shall be read and construed as one.

In this Agreement the definitions and rules of interpretation set out in Part A of Annex One (1) of this Agreement shall apply and shall be read as if they were included in the body of this document.

PROMISE TO SELL AND PURCHASE

1. By virtue of this Agreement the Vendor promises and binds itself to sell and transfer to the Purchaser who accepts, promises and binds himself to purchase and acquire:

1.1 the apartment internally numbered [] forming part of Block [] (in this Agreement referred to as "the Residential Block") in the Complex, situated on Level [] of the Residential Block on the [] hand side as one faces the front elevation of the Residential Block, shown outlined in red on the floor plan annexed to this Agreement marked Document A and on the elevation drawing annexed to this Agreement marked Document B and consists exclusively of and includes only the area shown within the red outline on the aforesaid plan Document B, in this Agreement referred to as "the Apartment"; and

1.2 the lock-up garage internally numbered [] forming part of Garage Complex [] (in this Agreement referred to as "the Garage Complex") in the Complex, situated on Level []

] of the Garage Complex and measuring approximately [] square metres, shown outlined in red on the floor plan of the Garage Complex annexed to this Agreement marked Document C and consists exclusively of and includes only the area shown within the red outline on the aforesaid plan, in this Agreement referred to as “the Garage”;

for the price and under the terms and subject to the conditions set out in this Agreement and hereby accepted by the Parties.

1.3 The Apartment and the Garage are in this Agreement together referred to as “the Property”.

1.4 If the property referred to as “the Property” includes only an apartment or penthouse the provisions in this Agreement which are applicable exclusively to the sale of a lock-up garage shall not apply to the agreement between the Parties, similarly if the property referred to as “the Property” includes only a lock-up garage the provisions in this Agreement which are applicable exclusively to the sale of an apartment or penthouse shall not apply to the agreement between the Parties.

THE PROPERTY

2.1 The Property shall be sold with the rights and appurtenances and as subject to and enjoying the servitudes set out in Part B of Annex One (1) of this Agreement.

2.2 The Property shall be sold and delivered by the Vendor and purchased and acquired by the Purchaser in a complete state in accordance with and to the extent of the specifications set out in Part A of Annex Two (2) of this Agreement.

2.3 The Block Common Parts and the Garage Complex Common Parts which according to this Agreement the Purchaser is entitled to use shall be completed at the sole expense of the Vendor and delivered in a complete state in accordance with and to

the extent of the specifications set out in Part B of Annex Two (2) of this Agreement.

2.4 The Complex Common Parts and the Recreational Facilities shall be completed by the Vendor at its sole risk and expense in accordance with the layout, designs, décor and specifications as shall be determined by the Vendor in its sole and absolute discretion.

2.5 Save for the servitudes, restrictions, regulations, terms and conditions set out in this Agreement the Property shall be sold and transferred to the Purchaser as free and unencumbered from any other burdens, groundrents, servitudes, hypothecs, privileges, cautions and charges and free from any rights of whatever type or nature, whether real or personal, in favour of third parties, free from law-suits and from any litigation whatsoever, and with immediate free and vacant possession in favour of the Purchaser on the notarial deed of sale.

2.6 The praedial servitudes mentioned in this Agreement shall be constituted as such on the notarial deed of sale and the consideration thereof has been taken into account in the Price mentioned in this Agreement.

THE CONDOMINIUM

3.1 The Vendor and the Purchaser acknowledge that the whole Complex shall constitute one condominium for the purposes of the Condominium Act and agree that the terms and conditions set out in Part C of Annex One (1) shall apply to the Condominium in general and to the Property in particular.

3.2 The Purchaser acknowledges receipt of the Condominium Rules and of the Regulations, which are currently in force, and accepts that following the definitive deed of sale he and his successors in title shall be bound to observe and abide by, faithfully, strictly and in their entirety, the rules, regulations, terms and conditions set out in the Condominium Rules and the Regulations.

3.3 The Parties agree that the terms and conditions set out in Part C of Annex One (1), the Condominium Rules and the Regulations:

- i. are for the mutual benefit of the Condomini;
- ii. shall, apart from the Condominus, also bind all his guests, visitors, co-owners, co-inhabitants and assignees, with whom the Condominus shall be bound in solidum;
- iii. shall be construed as servitudes burdening the Property in favour of the remainder of the Complex or restrictions burdening the title of the Condominus in favour of the other Condomini, which shall follow the title to the Property *ad infinitum* and must be incorporated in all future transfers of the Property *ad infinitum*;
- iv. shall be expressly included in any deed of transfer of any unit in the Complex and accepted by a new Condiminus;
- v. may be enforced at any time by the Vendor, his successors in title or the Administrator, who shall be entitled to ensure by any legitimate means, their full compliance and adherence by each Condominus and his guests, visitors, co-owners, co-inhabitants or assignees.

3.4 In warranty of the proper observance of the terms and conditions set out in Part C of Annex One (1). the Condominium Rules and the Regulations and in particular, but without limitation, in warranty of the payment of his share of the Costs the Purchaser promises and undertakes to constitute in favour of the Vendor, on the notarial deed of sale, a special hypothec over the Property or any other guarantee acceptable to the Vendor, which hypothec or guarantee shall be for the sum of three thousand Maltese Liri (Lm3000) for an apartment and five hundred Maltese Liri (Lm500) for a garage. The said sum is being agreed for the purposes of the security only and shall not limit in any way the full liability of the Purchaser or of his successors in title in the event of default. When possible and appropriate the

Vendor shall assign these rights and the relative security to the Administrator or a Security Trustee or to all the Condomini without further notice to the Purchaser, it being understood that the these rights and the relative security are being retained or taken ultimately for the mutual benefit of the Condomini once the Vendor completes its commercial interest in the Complex.

PRICE AND PAYMENT TERMS

4.1 In consideration of the global price of [] (the Price) payable in the following manner:

4.1.1 [] which represents 15% of the Price (the First Payment) now on this Agreement by way of non-refundable deposit;

4.1.2 [] which represents 35% of the Price (the Second Payment) by not later than three (3) months from the date of this Agreement; and

4.1.3 [] which represents 50% of the Price (the Third and Final Payment) within thirty days from the date of service on the Purchaser of the Architect's certificate certifying under his signature that the works listed in Annex Two (2) have been completed (the Completion Certificate) or on the notarial deed of sale of the Property, whichever date shall be the earlier.

4.2 The Vendor accepts the First Payment from the Purchaser and gives due receipt thereof. The parties agree that all other payments due in terms of this Agreement shall be made by means of a Bank Draft made payable to the Vendor or to such other person as the Vendor may indicate in writing.

4.3 The Parties agree that the First Payment and, when paid, the Second Payment shall be considered payments made by way of deposit and not by way of earnest and on the notarial deed of sale shall be considered payments made on account of the price.

4.4 The Purchaser agrees to forfeit the First Payment by way of pre-liquidated damages for mere

delay, should the Purchaser fail to appear on the notarial deed of sale for no valid reason at law, which damages shall not be subject to review or abatement by any court. Such forfeiture shall occur ipso facto and without the necessity of the filing of any judicial letter or any other judicial proceedings.

4.5 If the Purchaser is in delay of any payment when due, interest shall automatically accrue on any unpaid amount, without the need of any prior notice or judicial recourse, at the rate of eight per cent (8%) per annum with effect from the relative due date until the date of effective payment, and this without prejudice or limitation to any other remedy competent to the Vendor in terms of this Agreement or at law.

4.6 The parties agree that if the Purchaser fails to effect the Second Payment when due in terms of this agreement, the Vendor shall have the right and option, exercisable in its sole and absolute discretion, to rescind this agreement by notice in writing served on the Purchaser, and the Purchaser shall, upon receipt of such notice, automatically forfeit all rights to purchase the Property and shall also forfeit any payments already made to the Vendor by way of damages for mere delay.

4.7 Without prejudice to the provisions of Clause 4.4 above, the parties agree that if this Agreement is terminated by the Purchaser for any reason after the Second Payment has been paid the Purchaser shall be entitled to the refund of the Second Payment without interest by not later than twenty one (21) days from demand made in writing.

WARRANTIES OF THE VENDOR

5.1 On the notarial deed of sale the Vendor shall warrant in favour of the Purchaser, who accepts, good title and quiet possession of the Property in accordance with law and for this purpose the Vendor undertakes to constitute in favour of the Purchaser, who accepts, a general hypothec on all its property present and future. The Purchaser waives his right to register an additional special hypothec on the property of the Vendor in terms

of section two thousand and sixteen (2016) of the Civil Code of Malta.

5.2 On the notarial deed of sale the Vendor shall also guarantee in favour of the Purchaser, who accepts, that:

i. the Property and the Block Common Parts and Garage Complex Common Parts which according to this Agreement the Purchaser is entitled to use are constructed and completed in accordance with law and in compliance with the relevant building permits;

ii. all architect fees, building permit fees, road and drainage contributions and contributions for the other services supplied to the Property and the Common Parts which according to this Agreement the Purchaser is entitled to use, the payment of compensation of party walls and all fees and expenses of the contractors and suppliers for the construction and completion of the Property and the Common Parts which according to this Agreement the Purchaser is entitled to use have been paid or will be paid by the Vendor and that no claims for payment may be brought against the Purchaser, and the Vendor agrees to hold the Purchaser fully indemnified against any such claims by any such person.

iii. the Property and the Block Common Parts and Garage Complex Common Parts which according to this Agreement the Purchaser is entitled to use are not subject to legal disputes or to any rights or claims made by third parties.

ANCILLARY OBLIGATIONS OF THE VENDOR

6.1 The Vendor promises and undertakes in favour of the Purchaser, who accepts, to complete at its sole risk and expense, by not later than the notarial deed of sale of the Property, the works listed in Annex Two (2) and to execute and complete the works with due diligence, to a good standard of workmanship, in accordance with the trade and local building custom and for this purpose to supply the materials of good quality

in accordance with the specifications or cost listed in Annex Two (2).

6.2 The Vendor shall be entitled to alter the specifications set out In Annex Two (2) on condition that the alternatives offered are of similar or better quality.

6.3 The parties agree that the Architect's decisions in respect of any matter connected with the execution and progress of the works which the Vendor is obliged to complete shall be final and contractually binding on the parties hereto.

OTHER OBLIGATIONS OF THE PURCHASER AND HIS SUCCESSORS IN TITLE

7.1 The Purchaser or his successors in title shall pay a pro rata share of any future rates, taxes, assessments or any other charge now or hereafter imposed or charged by competent authorities upon the Property or the Common Parts or the land on which they are built or upon the owners or occupiers in respect thereof.

7.2 The Vendor reserves in its favour and for its successors in title the option (but not the obligation) to sell to the Condomini a *pro indiviso* share of the Common Parts for the nominal price of one Maltese Liri (Lm1) per share, which *pro indiviso* share shall be calculated on the pro rata number of votes held by a Condominus in terms of the Condominium Rules. The Common Parts shall in such case be sold as subject to the servitudes and rights which shall exist at the time of sale. The obligation of the Purchaser to buy shall continue for a period of thirty (30) years from the date of the final deed of sale. The Purchaser shall be obliged to appear on the deed of sale of the aforesaid common parts within thirty (30) days from date of service of a judicial letter on the Purchaser notifying him of Vendor's decision to exercise its option in terms of this clause and notifying the Purchaser to appear on the final deed of sale. The Purchaser shall be released from the obligation to purchase in terms of this clause if when selling or otherwise transferring the

Apartment or the Garage he also assigns his obligations arising from this Clause to the new acquirer.

GENERAL

8. All fees and expenses relative to this Agreement and to the relative notarial deed of sale and all matters ancillary thereto including Duty on Documents and notarial fees shall be borne by the Purchaser. Capital Gains Tax and or Income Tax due on the sale of the Property shall be paid by the Vendor. Each party shall pay its own advisors.

TERM AND VALIDITY

9.1 The Purchaser's obligation to acquire the Property shall be subject to the Purchaser being satisfied that:

- i. Vendor's legal title to the Property is in order and in accordance with law and that the Property is free from any hypothecs, privileges and any other encumbrances including groundrent save as otherwise stated in this Agreement;
- ii. the Property is free from any enforcement order or notice issued under any law and is not the subject of any litigation or arbitration proceedings, whether in force, threatened or pending;
- iii. the Property is in conformity in all respects with issued permits and plans approved by the competent authorities and with all building and sanitary laws and regulations.

If any one of the conditions set out in this clause 9.1 is not satisfied or fulfilled, then the Purchaser shall be entitled to withdraw from this agreement and to receive from the Vendor the refund of the First Payment and, if paid, the Second Payment, without interest, within twenty one (21) days from written demand and on receipt of the aforesaid payments the Purchaser shall have no further rights or claims against the Vendor whether for damages or otherwise.

9.2 The notarial deed of sale of the Property shall be published by not later than either thirty (30) days from the date when the Completion Certificate mentioned in Clause 4.1.3 of this Agreement is served by registered mail to the Purchaser (and in case the Purchaser is more than one person, to any one of them) or by the thirtieth day of January of the year two thousand and seven (30/1/2007), whichever date shall be the earlier.

Assignment and Substitution

10. The Purchaser shall be entitled to assign its rights and obligations arising from this Agreement, in whole but not in part, to a third party or third parties provided that such assignment must be made in writing and notified together with the full particulars and contact details of the assignee to the Vendor within fifteen (15) days from the date of the assignment. Any assignment made not in compliance with the provisions of this Clause shall not be recognised by the Vendor.

Registration of this Agreement

11. The Parties authorise Notary [] to register this promise of sale and purchase agreement with the Inland Revenue Department for the purposes required by law and to submit a true copy of this Agreement together with the said registration and for this purpose they hereby release the aforesaid Notary from his obligations of confidentiality.

Document A

Floor Plan of the Apartment

Document B

Elevation Drawing of the Apartment

Document C

Floor Plan of the Garage

(if applicable)

Document D

Resolution of the Board of Directors of Madliena Village Limited.

Annex One (1) - Definitions, Rules of Interpretation and
Other Terms and Conditions

Annex Two (2) - Specifications