
LEASING OF PREMISES

General Conditions Version 1.2

JULY 1, 2023
DEPARTMENT OF CONTRACTS

Article 1 : General Provisions
a) If any term or provision of this Lease or the application hereof to any person or circumstance shall, to any extent, be held invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.
b) The captions of the Sections of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.
c) The word "Lessor" and the pronouns referring thereto, shall mean, where the context so admits or requires, the persons, firm or corporation named herein as Lessor or the mortgagee in possession at any time, of the land and building comprising the Leased Premises.
d) If there is more than one Lessor, the covenants of Lessor shall be the joint and several obligations of each of them, and if Lessor is a partnership, the covenants of Lessor shall be the joint and several obligations of each of the partners and the obligations of the firm.
e) Any pronoun shall be read in the singular or plural and in such gender as the context may require.
f) Except as in this Lease otherwise provided, the terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns
g) Nothing contained herein shall be deemed or construed by the parties hereto nor by any third party as creating the relationship of principal and agent or of partnership or of a joint venture between the parties hereto, it being understood and agreed that neither any provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of Lessor and Lessee.
Article 2: Applicable Law and Jurisdiction
2 (1) This contract is regulated by Maltese Law.
2 (2) This contract contains the entire and only agreement between the parties, and no oral statements or representations or prior written matter not contained in this instrument shall have any force and effect. This Lease shall not be modified in any way except by a writing executed by both parties.
2 (3) Unless otherwise regulated by this contract the parties agree to regulate this contract in terms of the Civil Code of Malta.

Article 3 : Grant and Term of Lease

- a) Unless otherwise provided in the special conditions/lease agreement, this contract shall commence upon signature by all parties.

Article 4 : The property subject to Lease

The property subject to lease shall be as indicated in the Special Conditions.

Article 5 : Determination of rent

5 (1) The Lessee agrees to pay the Lessor and the Lessor agrees to accept, during the term hereof, at such place as the latter shall from time to time direct by notice to the former, the rent as set forth in Article 4 of the special conditions/lease agreement.

5 (2) Should government introduce or increase administrative fees payable for the issuing or renewal of permits that are necessary to operate the leased property for its intended use, the Lessor shall have the right to be compensated for such an increase.

Article 6 : Improvements / Alterations

(1) The parties agree that the Lessee cannot make improvements/alterations to the property without the prior consent in writing by the Lessor.

(2) The Lessee shall obtain all certificates, permits, licenses and other authorizations of governmental bodies or authorities which are necessary to permit the construction of the improvements on the leased premises and shall keep the same in full force and effect at Lessee's cost.

(3) Were such improvements result into the necessity of fresh permits or licences or result in an increase of such permits or licences such new permits or increases shall be borne by the lessee up to the termination of the lease.

Article 7 : Utilities Bills

(1) The lessee shall be responsible to pay any utility bill that is charged to the leased property during the term of this lease agreement.

(2) Within a week from the signature of the contract the lessor shall present to the lessee a copy of the last telephone water and electricity bills (herein after referred to as the bills) and relative receipts that these have been paid.

(3) The lessee shall be responsible for the payment of the bills as from the date following the signature of this contract.

(4) If the lessor fails to satisfy his obligations under this article without prejudice to any other remedy afforded by this contract the lessee may choose to pay any pending bill and set it off against any rent payable to the lessor.

Article 8 : Repairs and maintenance obligations
(1) During the continuance of the lease, the lessor is bound to make all extraordinary repairs including structural repairs that may become necessary.
(2) The lessee shall be responsible for all other repairs that may have become necessary during his enjoyment of this lease agreement.
(3) During the execution of the lease, the lessor shall ensure that the minimum energy performance requirements of the building comply with the Minimum Energy Performance requirements as established in LN 47 of 2018 (or as may be amended).
(4) The lessee shall be free to appoint the necessary personnel to carry out the maintenance of the fixtures and fittings present in the tenement such as the lifts, and it shall not be bound to make use of any contract which the lessor might have in place to carry out such an activity.
Article 9 : Access to the leased property by the lessor
(1) The parties agree that the lessor or his agents shall have the right to access the leased property for the purpose of inspecting it, inspecting any works carried out or to show it to third parties provided that he shall inform the lessee in writing a week in advance of such inspection.
(2) The lessor shall, in the notice, inform the lessee who will be present during the inspection.
(3) The lessor is hereby granting the lessee the right to change the locks of the premises and until the duration of the lease the lessor shall not have any claim on these keys. Provided that at the end of the lease the lessee shall hand over to the lessor the keys of the leased tenement
(4) If during any of these inspections the Lessee/s is/are deprived of the use of the Leased Premises, the rent shall be abated or adjusted, as the case may be, in proportion to that time during which, and to that portion of the Leased Premises of which, the Lessee shall be deprived as a result thereof.
Article 10: Insurance
10 (1) As part of the conditions under the final agreement, the Lessee, by virtue of the signed contract which shall constitute a public liability cover, will take up and maintain for the entire duration of the period of lease and the final agreement, including any and all extensions of time and premises, an insurance. It is also mandatory under the final agreement that this policy be extended to include the following clauses: a. tenants' liability b. cross liability c. that the insured's name is to include that of the Lessee but also the name of the beneficial owner of the procurement (therefore the insurance should refer to 'The Lessee and/or the Lessor and/or the Government of Malta, for their respective rights and interests.')

10 (2) On the other hand - the Lessor shall indemnify and hold harmless the Contracting Authority against and from any third party claims liabilities, costs, expenses, actions or proceedings it may face or suffer at any time including, without limitation, to claims for personal injury or damage caused by the building or the site or arising from the performance of the works or part thereof or by any act whether by omission or commission of the Lessor, its officers, employees, agents or sub-contractors.

Article 11: Use of the Property

- (1) The Leased Premises may be occupied and used by Lessee exclusively for the purposes which have been specified in the Special Conditions.
- (2) The parties are agreeing that the use identified in sub-regulation (1) shall include anything that may be linked, even on an ancillary basis, to the use identified in this regulation. Hence, the lessee is hereby authorise by the lessor, to make use of the said property accordingly.
- (3) Any change in the use of the leased property shall be permitted only upon written approval by the lessor.

Article 12 : Signs

- (1) Lessee shall have the right, at its sole risk and expense and in conformity with applicable laws, to erect and thereafter, to repair or replace, if it shall so elect external signs on any portion of the Leased Premises, providing that Lessee shall remove any such signs upon termination of this lease, and repair all damage occasioned thereby to the Leased Premises.
- (2) Lessee shall have the right, at its sole risk and expense and in conformity with applicable laws, to erect, maintain, place and install its usual and customary signs and fixtures in the interior of the Leased Premises providing that Lessee shall remove any such signs upon termination of this lease, and repair all damage occasioned thereby to the Leased Premises.

Article 13 : Security

The lessor is hereby granting the contracting authority the right to take any security measures it deems fit, including but not limited to the possibility to install security cameras procure security services from third party companies.

The Lessor is hereby authorising the lessee to allow access to the building to any third party it deems necessary to ensure that the property is kept safe.

Article 14 : Cleaning

- (1) The day to day cleaning of the premises shall be the responsibility of the lessee, and the lessor is hereby granting his permission to the lessee to allow access to any cleaning personnel which the lessee appoints for such a service.

Article 15 : Sub-letting

The Lessee shall have the absolute right to transfer and assign this lease or to sublet all or any portion of the Leased Premises to any contracting authority or body Governed by Public Law or to cease operating Lessee's business on the Leased Premises.

Article 16 : Disputes

- (1) The Parties shall make every effort to settle amicably any dispute, which may arise between them. Once a dispute has arisen, the Parties, namely the Lessee and the Lessor, shall notify each other in writing of their positions on the dispute and any solution, which they consider possible. If either Party deems it useful, the Parties may refer the matter to the Director of Contracts to act as a mediator between them.
- (2) A Party shall respond to a request for amicable settlement within 30 days of such a request.
- (3) Should the attempt to reach an amicable settlement fail or a Party fail to respond in time to requests for a settlement, either Party shall be free to refer the case to the Rent Regulation Board and the Court of Appeal as provided by Law.

Article 17 : Termination and Penalties

(1) This contract can be terminated in any of the following instances :

- (a) Where the lessee fails to pay punctually the rent due, the contract may be terminated only after that the lessor would have called upon the lessee by means of a judicial letter, and the lessee notwithstanding such notification, fails to pay the said rent within fifteen days from notification.
- (b) Unless otherwise regulated in this contract or required by law, where the lessee fails to perform any obligation established herein, the contract may be terminated only after that the Lessor would have called upon the lessee by means of a judicial letter, and the lessee notwithstanding such notification, fails remedy or start remedying such breach within fifteen days from notification.
- (c) Unless otherwise regulated in this contract or required by law, where the lessor fails to perform any obligation established herein, the contract may be terminated only after that the lessee would have called upon the lessor by means of a judicial letter, and the lessor notwithstanding such notification, fails remedy or start remedying such breach within fifteen days from notification.

(2) Apart from what is stated in this contract the lessor shall have the right to terminate this contract at any time and for whatever reason during its duration provided the lessee shall have the right to claim compensation. The compensation due in this case is hereby being capped to one fifth of the remaining value of this lease contract.

(3) Unless otherwise regulated in this contract for the purposes of Article 1555 and 1555A of the Civil Code of the Laws of Malta only the failure to use the property leased for more than 12 consecutive months shall constitute bad use.

General Conditions for the leasing of premises

(4) Lessee may at any time terminate this Lease and terminate all of its obligations hereunder by the payment of a penalty equivalent to half of the remaining term of the lease.

(5) As applicable, if the Lessor does not complete the necessary alterations and improvements within the prescribed period of days, this shall be regarded as a breach of Contract by the Contracting Authority. The CA at its sole and absolute discretion, shall within the following thirty (30) days;

- a) either request the Lessor to terminate the remaining works by not later than a further period of thirty (30) days, following which the contract will be terminated if the works are not complete
- b) Impose daily penalties at the same rate of the daily lease up to a maximum of 10% of the total contract value. The imposed penalties will be then deducted from the payments due to the lessor. In case the 10% is met, the CA shall opt to terminate the contract.

For both of the above instances, if the contract is terminated, the CA shall not incur any expenses and may opt to proceed to award the tender to the next cheaper and technically complaint bidder. If such a second successful tenderer does not exist, the Contracting Authority shall reserve its right to re-issue a tender for the award;