

Draft
COMPANY LEASE

between

Società Terme di Agnano S.p.A., a public company owned entirely by Naples Municipal Authority, with registered office at 24 Via Agnano Astroni, Naples, VAT Reg. No. 00642490635, Naples Company Reg. No. 41974, share capital €9,671,589.24, in the person of its president and pro tempore legal representative, Marinella De Nigris, born in Naples on 18 April 1950, with domicile for the appointment at the aforesaid registered office, in virtue of the powers assigned to her and duly authorized for this lease pursuant to a general meeting resolution on2014, by a Board resolution on 2014, and by the minutes of that date whose summary has been certified by the undersigned notary on today's date, ref. no. and annexed to this act as no. 1 (annex 1)

hereafter Terme di Agnano, on one hand and

....., registered office at, tax code
Company Reg. No., share capital €....., in the person of its legal representative born in, on, with domicile for the appointment at the aforesaid registered office, in virtue of the powers assigned and duly authorized for this lease pursuant to a general meeting resolution (or Board resolution on) as per the minutes of that date whose summary has been certified by the undersigned notary on today's date, ref. no. annexed to this act as no. 2 (annex 2), hereafter also "the Lessee, on the other.

WHEREAS:

- board resolution no. 20 of 15 July 2011, issued by Naples Municipal Authority, sole shareholder in Società Terme di Agnano S.p.A., approved a number of actions aimed to reduce the operating costs of companies and bodies in which the municipal authority has investments, with redefinition of the scope of the activities it oversees and including the transfer of certain holdings including Terme di Agnano S.p.A.;
- on 2014, during a Società Terme di Agnano S.p.A. board meeting, the chairman proposed that the Board should announce an international call for tenders for the management of the entire complex;
- on 13 November 2012 the Board of Directors resolved to announce a call for expression of interest in managing all identified company branches, through a presentation of the company taking into account all the qualities and potential of the areas;
- Naples Municipal Authority, in order to cover the deficit and rebalance

management overall by a review of the current structure and organizational model, and to preserve public ownership of assets, ensuring public accessibility and social value, with subsequent council resolution no. 58 of 30 November 2012, pursuant to Art. 3 sexies, paragraph 4 of Decree No. 95/2012 (known as the “spending review decree”), approved “lines of strategic direction aimed at corporate reorganization of municipal holdings listed in Annex A, which the city council will submit for Board approval together with the multi-annual financial rebalancing plan, including special resolutions for each undertaking”, including Società Terme di Agnano;

- for this purpose, Naples Municipal Authority deemed it necessary to identify a private party able to manage Società Terme di Agnano S.p.A. more efficiently, overcoming the current situation of permanent financial deficit by operating the most potentially profitable part of the company to fund investments intended to regenerate the complex;

- Società Terme di Agnano S.p.A., as the owner and holder of the Terme di Agnano, including the hotel and tourist complex and healthcare services, and in order to promote and exploit all existing and future thermal and mineral waters on the entire spa site located in Agnano (Naples), and all complementary activities, such as production and wholesale and retail of the waters and derived products, sought expressions of interest in management of the entire “Terme di Agnano complex”, requiring applicants to submit an industrial development plan for the company indicating strategic objectives, upgrading, an investment plan, and commitment to safeguarding current employment levels;

- on 26 February 2013, the Società Terme di Agnano S.p.A. board of directors, having examined the expressions of interest received by the deadline, indicated that it would be desirable for the chairman to convene a general meeting with the sole shareholder;

- lastly, on 2013, during the general meeting, the Board resolved to hold a public call for tenders, to be awarded on a best-price basis, i.e. the most financially advantageous proposal, identifying a company lease rent proportionate to investments in the property, which must necessarily be made in keeping with environmental and landscape requirements, and are subject to approval by the owner;

- pursuant to Royal Decree no. 827 of 23 May 1924, Terme di Agnano S.p.A. announced an international public call for tender of open bids (annex 3), for the selection and identification of an enterprise to be awarded a renewable thirty-year business lease for management of the entire Terme di Agnano tourism, hotel, spa and sports complex sited in an area of exceptional beauty (Conca di Agnano, Phlegraean Fields).

- the Terme di Agnano complex comprises the following assets:
 1. a hotel complex (four-star hotel, with annexed restaurant);
 2. wellness complex (spa, indoor swimming pool and outdoor spa pools);
 3. sports area (fitness trail, cycle path and other activities, including an area with potential for development as a golf course);
 4. farmland area (with potential for development as a “kitchen garden” for the restaurant);
 5. healthcare complex (spas operating in agreement with Na1 Local Health Authority);
 6. mineral water springs with bottling plant;
 7. archaeological site (Roman baths and the Grotta del Cane);
 8. former inhalations building;
 9. former grade one mud treatment building;
 10. “Terme di Agnano” trademark;
- a detailed description of the assets contained in special Specifications, technical annexes and floor plans, and countersigned by the parties forms an integral and substantial part of this lease;
- the call for bids was published on 2014 in the *Gazzetta Ufficiale*, and on 2014 in the *Official Journal of the European Union*, as well as in leading national and international daily newspapers;
- the tender was held on 2014 and a bid was received, among others, from, who was awarded the contract for the best bid (Annex 4) on 2014;
- the above (call for bids, specifications, offer, plans) are signed respectively by the parties at letters,,,, (annexes 5, 6, 7, 8);
- the hotel and the spa, currently used by clientele, are fully equipped with plant, fittings and furnishing, facilities and all other requirements for offering tourist accommodation compliant with current national and EC legislation, specifically Law 37/08 and Legislative Decree 81/08 with subsequent amendments and integrations;
- the Lessee confirms it is in possession of all the necessary administrative authorizations for the pursuit of activities related to the management of the company, including healthcare, coffee bar and restaurant, or conversely agrees to acquire these authorizations;
- the Lessee’s business is (specify, especially in the case of a temporary association of enterprise or a consortium, which type of business each associate will pursue for each asset);
- the Lessee declares it has visited the complex and its appurtenances, and that it is satisfied overall with the existing conditions of the property;
- consequently, the Lessee is interested in undertaking the direct management

of all the assets, with the limitations and specifications hereafter indicated, since it possesses not only the structural and organizational wherewithal but also the objective and subjective requisites for managing the company pursuant to best practices;

now therefore the parties agree to stipulate the following:

Art. 1 (preamble)

The preamble and annexes are an integral, essential and substantial part of this lease.

Art. 2 (object of the lease: assets immediately and not immediately available)

Terme di Agnano agrees to lease to, which has the requisites stated in the preamble and in the tender award act, the tourist-hotel business, spa, healthcare services, and sports services company indicated in the preamble, including goodwill, corporate trademark and branding, with the stipulations indicated in the special specifications, as well as all movable and immovable property, including but not limited to buildings, appliances, equipment, fixtures and fittings as found in the documents (inventories and plans) signed by both parties, all in any case fully in place and functioning for the running of a tourist-hotel business.

The main assets of the leased company are:

1. a hotel complex (four-star hotel, with annexed restaurant);
2. wellness complex (spa, indoor swimming pool and outdoor spa pools);
3. sports area (fitness trail, cycle path and other activities, including an area with potential for development as a golf course);
4. farmland area (with potential for development as a “kitchen garden” for the restaurant);
5. healthcare complex (spas operating in partnership with Na1 Local Health Authority);
6. mineral water springs with bottling plant;
7. archaeological site (Roman baths and the Grotta del Cane);
8. former inhalations building;
9. former grade one mud treatment building;
10. “Terme di Agnano” trademark.

The above assets are described and defined in the plans (Annex), which form an integral and substantial part of this lease.

The parties specify that:

- a) The green area intended for use as sporting facilities (no. 3), compliant with the urban planning indications and requirements of Naples Municipal Authority, is not equipped overall;
- b) the archaeological area (no. 7) will be transferred on loan only at the

outcome of a specific authorization issued by the archaeological department of the provinces of Naples and Caserta, requested and paid for by the Lessee;

- c) the farmland area (no. 4) is currently partly in the hands of farmers, of whom some have an extant contract and others with an expired, void contract. Terme di Agnano will issue a special proxy to the winning tenderer if it wishes to begin and/or continue proceedings against tenants to release the land, or use it for diverse management thereof;
- d) the former inhalation and grade one mud buildings (nos. 8 and 9) are in need of complete renovation compliant with the indications and provisions of the winning tenderer's industrial investment plan, and prior issue of specific administrative acts whose request and costs will be borne by the Lessee.

In this regard, the parties point out that until the transfer date and/or issuing of administrative authorizations and/or licences allowing the Lessee to begin management of the healthcare complex (no. 5), including in public law, the management and costs of the latter will be at the care and expense of Terme di Agnano, which remains the holder of licences and agreements.

Terme di Agnano S.p.A. will work in partnership with the Lessee to enable it to obtain the documents needed to run this property in all respects, although Terme di Agnano S.p.A. may not be held liable for any delays and/or non-fulfilments concerning the issuance of the abovementioned documents.

Terme di Agnano S.p.A. has held the thirty-year state mining concession (Ministerial Decree 21 November 1930) for the entire Agnano mineral water basin, since 12 August 2008, pursuant to Campania Regional Authority protocol 722108 dated 21 October 2013, Area 15, sector 12, for the entire Agnano mineral water basin, including all the springs located on land owned by the company and those to which it has subsoil rights. These springs may be used upon application for the state mining sub-concession, which the successful bidder will submit to the competent authorities, pursuant to Campania Regional Law No. 8 of 2008.

The company lease does not include: a) research and exploitation of geothermal energy, which Società Terme di Agnano reserves the right to manage directly and/or through a third party. To this end, it should be noted that the extension of the areas on which this exploitation may occur will be limited to 10% of the total extension of farmlands and in any case in areas identified in plots exterior to the farmlands and green areas, as outlined in the Specifications; b) another restaurant with annexed sports complex, named "Le Due Palme"; c) the fuel distribution plant located along Via Agnano Astroni, covering an area of about 2,000 m².

Terme di Agnano hereby assures its complete, proper consent to the

application for the issue or transfer of requisite administrative measures of any kind, required by applicable law, for the running of the leased company, and undertakes to offer all the support needed to ensure the Lessee is awarded management of all assets, in order to guarantee that it obtains in the fastest and easiest way possible, all the above licenses, approvals, permits, and contracts relating to corporate business, provided that the Lessee bears all costs arising in this regard. To this end, Terme di Agnano issues irrevocable power of attorney to the Lessee so it can act in its name and on its behalf, without prejudice to its specific responsibilities.

Pending the issuance of the necessary provisions, the healthcare complex under contract to Na1 Local Health Authority continues to be part of Terme di Agnano, which will continue to manage the agreement and supervise profits, without any Lessee liability or interference, with the necessary staff, as stipulated in Art. 5 and Art. 10 of the Specifications.

The Lessee declares that in the event of authorizations or licences failing to be acquired, or in any case it being impossible to acquire the assets currently excluded, they cannot claim any rent reduction or damages from Terme di Agnano or Naples Municipal Authority.

Art. 3 (improvements)

The Lessee, on the basis of the documentation provided by Terme di Agnano and mentioned in the preamble, after performing all the site visits it feels to be complete and exhaustive, is aware that the business complex consists of assets and services linked in a functional way and is therefore suitable for the purposes of the business enterprise. It is fully understood that the Lessee cannot make modifications to buildings and plant without the express written permission of Terme di Agnano.

Any enhancements – including those referred to in the industrial investment plan specified in Art. 10 herein – will be left to Terme di Agnano and the Lessee may claim no compensation of any nature given that envisaged improvements are closely connected to the offer and duration of the company lease.

Art. 4 (lease duration and effect thereof)

The lease will last thirty years from today's date, unless expressly renewed for a further thirty years.

Not later than fifteen days after the expiry of the term of the lease, the Lessee agrees to hand over the company in perfect condition, it being understood that the lease has expired without need of notice. This period of fifteen days is established for the drafting of the report describing the state of the leased complex.

The Lessee shall return the company in turnkey condition, fit for all its parts to

be used.

In case of missed or delayed handover, for every month of delay, pursuant to Art. 1382 of the Italian Civil Code, the Lessee will be liable for a penalty equal to twice the monthly rent calculated as that identified at the time. Without prejudice to requests for further damages.

Art. 5 (lease renewal and any notice of termination)

At least eighteen months before the expiration of this lease, the Lessee shall inform Terme di Agnano by registered letter with acknowledgment of receipt whether it intends to renew the lease for a further period of thirty years, specifying its conditions in the letter. Within three months of receiving this letter, Terme di Agnano will inform the Lessee by registered letter with acknowledgment of receipt whether it intends to proceed, at its sole discretion, to stipulate a lease renewal and if it accepts the conditions proposed by the Lessee or indicating its own conditions. If the parties do not come to any written agreement, negotiations shall be understood to be discontinued without any mutual constraint.

If, at the expiration of the lease, Terme di Agnano decides upon a new call for bids and the Lessee tenders a bid, it has the right of first refusal if equal offers are received.

In any case and in the event of non-agreement, if at the expiration of this lease Terme di Agnano chooses to offer the complex lease to third parties, it shall notify the Lessee in writing of intended conditions and the latter is free to accept them within thirty days of being informed, availing itself of the right of first refusal on equal terms.

Art. 6 (delivery and inventory)

The signing of this lease is equivalent to handover of the company, with the limitations indicated above.

An inventory of all movables, equipment, machinery, furniture, tools, plant, fittings, tableware, linens, and any other relevant items, signed by the parties (Annex), accompanies this lease and is an integral part thereof.

Having already inspected the complex at the time of the offer, the Lessee raises no reservations and these assets are presumed to have been handed over in a condition fit for use.

Pending the transfer in favour of the Lessee of all licences, permits and existing utilities – and in any case for a period not exceeding sixty days from today's date – all bills for utilities addressed to Terme di Agnano will be paid by the Lessee.

Art. 7 (termination by the Lessee)

The Lessee is entitled to withdraw from the lease no earlier than ten years from its stipulation, a term set for the completion of the industrial investment

plan that forms an integral part of the offer. Notification of withdrawal shall be given at least one year in advance, by registered letter with acknowledgment of receipt.

Art. 8 (rent)

The amount agreed by the parties as rent for the company lease, as indicated in the bid, is for €..... per annum, plus VAT, as by law.

The rent shall be paid by bank transfer, upon presentation of invoice, to the following bank account IBAN in the name of Società Terme di Agnano S.p.A., in four quarterly advance instalments due on 1st, 1st, 1st, and 1st; for the first year the parties agree that the rent will be €.....

Today, by way of deposit, the Lessee makes a bank draft to Terme di Agnano for the amount of €... .., equal to two years' rent, which Terme di Agnano receipts, subject to the successful outcome of the payment. This sum may be replaced by a surety of the same amount, which must be updated annually to keep pace with consumer price index increases determined by ISTAT.

The Lessee may not delay for more than the established twenty days the payment of the rent, not suspend or reduce it. If this occurs, and without prejudice to Terme di Agnano's right to notify a unilateral lease termination by registered letter with acknowledgment of receipt, or to claim interest on arrears calculated at prime rate, taking the amounts from the surety as per Art. 12 herein, or to claims for further damage. The first instalment of the rent, as defined above, is paid today in advance, together with the security deposit referred to in Art. 9 herein and the expenses referred to in Art. 24.

Art. 9 (updating of rent and security deposit)

The rent and security deposit will be updated automatically every year to the extent of 100% of the total variation in increase of the consumer price index determined by ISTAT for blue and white-collar worker families, measured with respect to the month prior to the date of contract signing, even without an explicit request being made by Terme di Agnano.

Art. 10 (Lessee obligations and liabilities. Industrial investment plan)

The Lessee, having won the contract as indicated in the preamble, undertakes to carry out any routine and special maintenance on the company assets covered by this lease, at its own care and expense, including structural interventions and the implementation of the industrial investment plan, certified by the loan institute, after adequate planning and to be completed within a period of ten years from today's date (Annex).

The investment connected to the industrial plan was an essential aspect of both the tendering procedure and the choice of tenderer and, therefore, of the signing of this lease. Moreover, the parties declare that the rent was also

agreed by virtue of the obligation to ensure the upgrading and optimization of the whole complex for the perfect operating of the company.

It is understood that all interventions and works required for implementation of the industrial investment plan are to be paid for by the Lessee and are not reimbursable.

The industrial investment plan, accompanied by a declaration signed by one or more loan institutes expressing interest in funding the plan, specifies the investments to be made and is based on a time schedule for the first decade, aiming to 1) safeguard the integrity of the hotel and spa complex; 2) upgrade and develop the entire complex; 3) maintain the levels of employment offered by the structure; 4) redevelop and enhance facilities through promotional marketing. The declaration of the loan institutes must show the bankable nature of the plan, which consists of a set of requirements (commercial interest, certainty of a flow of income etc.) that enables revenue to be generated. In other words, this financial sustainability must be understood as the project's ability to generate cash flow sufficient to guarantee the repayment of any loans, or the capacity of the plan to cope with the debt service coverage over the years taken into account, or nonetheless with reference to the entire repayment period of the loan agreed.

The ten-year time schedule comprises multi-annual stages during which the investment will be issued. At least 50% of the amounts envisaged in the plan must be issued in the first five years.

Terme di Agnano will supervise the regular execution of all interventions, including the industrial investment plan, by means of an appropriate commission, whose composition will be announced later.

The Lessee will also be liable for all costs inherent to repair and/or replacement, routine and special maintenance of movable and/or immovable property lost or damaged by use, and may make no claims against Terme di Agnano.

Maintenance interventions, including those arising from events caused by force majeure, shall be made by the Lessee with timeliness, regularity and according to urgency; it is understood that interventions should not create inefficiency towards other users of the complex and in any case all repairs to be performed during high season for the hotel and other tourist areas will be considered urgent.

The Lessee also undertakes to carry out routine and special maintenance on assets supplied on loan, notwithstanding Art. 1808 of the Italian Civil Code.

The Lessee undertakes not to modify the scope of the company, under penalty of termination of the lease and neither will it change the corporate signage and trademark which may be flanked by other signage and trademarks if

necessary.

Art. 11 (security deposit as a guarantee of the fulfilment of obligations)

To guarantee the fulfilment of all services and obligations assumed with this lease, as well as the damages in case of breach of such obligations, the Lessee pays a definitive deposit equal to 5% of the total amount offered (commensurate to both the thirty-year rent total and the amount budgeted in the industrial investment plan), established by bank guarantee or insurance policy issued by a financial intermediary included in the special list indicated in Art. 107 of Legislative Decree no. 385 of 1 September 1993. This bond specifically waives the benefit of the principal debtor's prior right to execution and states its applicability upon written request by Terme di Agnano. No exceptions will be recognized to this performance bond, hereto attached as Annex

This bond will also be automatically updated on the basis of rent adjustments and will be reduced as the industrial plan investments are implemented so that the remaining lease period is covered by this surety.

Art. 12 (return of the company and replacement of movables)

The Lessee undertakes to manage the company with the diligence of an expert in the field, to maintain the full efficiency of the organization of plant in general, and to hand over the company at lease expiry with all of the assets listed in the inventory signed at the time of lease stipulation, and with all movable and immovable property produced as a result of the industrial investment plan and subsequently for replacements required for improvement purposes, accepting liability in case of unjustified absence within depreciation limits. At the time of handover an inventory of contents will be drawn up.

Terme di Agnano will agree with the Lessee which, if any, movable property and furnishings may be disposed of or transferred at the care and expense of the latter. Without prejudice to the provisions of Art. 4 herein, in the absence of timely handover of the complex, the Lessee will be required to pay the security deposit referred to in the preceding article, which cannot be reduced by the courts.

Art. 13 (prohibition of assignment or sublease)

It is expressly forbidden for the Lessee to sublet or transfer in any way all or part of the lease or the individual leased assets, without the written authorization of Terme di Agnano.

Nonetheless, the Lessee is entitled to subcontract a number of the activities within the complex, including entertainment, sports, sales of commercial and/or promotional products, provided that this is in compliance with the requirements of the administrative authorities and does not involve any liability for Terme di Agnano, or continuation of said activities after the

termination of this lease.

Art. 14 (human resources)

Terme di Agnano employs eighty-one persons, of whom thirty-one are involved in exceptional earnings supplement fund action as per annexes ...

Only sixty of those employees are given over immediately to the Lessee – without prejudice to the specifications of the following paragraph –, who may deploy them as required for business needs. Consequently the employment contract pursuant to Art. 2112 of the Italian Civil Code continues with the latter.

Pending the completion of the aforementioned administrative procedures for provision of the contracted “healthcare” services, Terme di Agnano will make use by detachment of the personnel transferred to the Lessee (pursuant to Art. 10, below). Their salaries and all associated costs will be borne by Terme di Agnano until the transfer or sign over of the agreement. Terme di Agnano retains one worker in its corporate structure for its own needs.

Terme di Agnano declares that workers in employ were engaged in compliance with applicable laws and that salaries accrued up to the date of signing of this lease comply with the provisions of the relevant collective labour contract.

Art. 15 (extant agreements)

Pursuant to Art. 2558 of the Italian Civil Code the Lessee automatically replaces Terme di Agnano in all stipulated contracts not of a personal nature.

All such contracts are listed in Annex

The transferred contractors will be given notice of this lease at the care and expense of the Lessee, who exempts Terme di Agnano from any responsibility deriving from any termination for just cause made by contracting third parties.

All debts listed in Annex ... are covered by the company lease, including the contribution required annually by the Consorzio di Bonifica for relevant services, as well as TARSU or TARES or levies, taxes and contributions of a tax or fiscal nature to be borne by the user of the property, excluding instalments of the mortgage contracted by Terme di Agnano S.p.A.; levies, taxes and contributions pertaining to the owner, including the provisions so far allocated by Terme di Agnano for severance indemnities (TFR) accruing to employees, accrued holidays not yet paid, and accruals of the fourteenth month bonus not yet paid.

Terme di Agnano ensures to the best of its knowledge that there are no pending cases involving the company in which it may be involved as plaintiff and/or defendant, nor is it aware of facts that lead it to believe that in the future it might be involved as plaintiff or as a defendant in judicial or

arbitration proceedings, insolvency or administrative proceedings, or litigations of any kind relating to the corporate branch.

This statement does not cover disputes, referred to in Annex ..., with relative floor plan and report drawn up by legal counsel Alessandra Croce, brought against the tenant farmers to achieve release of farmlands. The costs arising from these disputes are transferred to the Lessee.

Therefore, the parties agree that the economic effects of the lease, with regard to the possession of the company, start from today.

Terme di Agnano is liable for levies, duties and taxes – or its share for the relevant period – relating to the previous management, including insurance premiums and expenses incurred and resolved prior to today's date.

Lastly, it is agreed that in the event of third parties paying Terme di Agnano any sum which, under the terms of this lease, is due to the Lessee, the former will transfer any such amounts to the latter within fifteen working days. Conversely, if third parties pay the Lessee any sum which, under the terms of this lease, is due to Terme di Agnano, the former will transfer any such amounts to the latter within fifteen working days.

The parties agree that these arrangements will also be confirmed at the expiration of this lease.

Art. 16 (insurance)

At its own care and expense the Lessee has stipulated an appropriate all-risks policy (Annex ...) with a primary insurance company, covering damage to the company caused by its use, as well as civil liability for damages to third parties arising from its management. This policy, which also covers fire risk has a ceiling of no less than €50,000,000.00 for the buildings and €5,000,000.00 for damage to third parties (including guests and staff of the complex).

Art. 17 (trademark)

The Lessee may use the registered trademark "Terme di Agnano", which may be flanked in shape, size and manner deemed appropriate with business logos useful for the enterprise. The trademark may be used in any advertising format.

Art. 18 (further obligations)

Although not expressly stated, the parties acknowledge that:

- a) two rooms to be agreed between the parties are to be set aside for Società Terme di Agnano's corporate activities. two rooms of at least equal size must be set aside for Società Terme di Agnano after renovation is completed.
- b) the company will be delivered without food supplies of any kind;
- c) certificates exist pursuant to Consolidation Act 81, 2008 (formerly Law

626/1996);

- d) the authenticating notary will deposit a copy of this lease for inclusion in the Companies Register within thirty days, on behalf of the Lessee;
- e) the Lessee declares it has received all documents, employee records and all else required for pursuing the business covered by this lease;

Given the exceptional scenic, historical and cultural significance of the entire complex, the Lessee also agrees to preserve and enhance the archaeological and cultural tourism profile, providing access, on days and at times to be decided, in agreement with the Terme di Agnano, to sites with particular reference to those of archaeological and naturalistic importance, organizing itineraries and events.

Art. 19 (express lease termination)

Terme di Agnano may decide to terminate this lease in the event of failed and/or incorrect application by the Lessee of all obligations assumed. It also expressly agrees that this lease shall be deemed to have been automatically terminated, in accordance with and for the purposes of Art. 1456 of the Italian Civil Code, in the event of any of the following:

- a) the Lessee, in the absence of force majeure, does not comply with the terms of completion of the works envisaged in the industrial investment plan schedule, pursuant to Art. 10 of this lease and with respect to the various stages;
- b) for facts in any case attributable to the Lessee and/or its assignees, suppliers, employees and/or other third parties contractually engaged with the Lessee, and breaches occurring due to negligence and/or irregularities that affect the regular implementation of the industrial investment plan and its perfect fulfilment in accordance with the requirements of Terme di Agnano;
- c) this lease is wholly or partly transferred to third parties, or if the company covered by this lease, in whole or in part, is transferred without the authorization of Terme di Agnano;
- d) the Lessee is found to be in a state of insolvency;
- e) accident prevention and worker safety regulations are not scrupulously observed;
- f) failure to comply with the terms indicated in the industrial investment plan, as described above.

In any of the aforementioned cases, Terme di Agnano is fully entitled to declare this lease terminated by simple written notification to the Lessee without formal notice.

In any case the Lessee must allow immediate accessibility and usability of the whole complex for its restitution to Terme di Agnano.

A further reason for express termination of this lease is the non-observance of the time schedule attached to the industrial investment plan, which was a fundamental element in the choice of lessee. Failure to respect the time schedule should be considered applicable to both individual phases or steps, and for the completion of the entire industrial investment plan.

Events of force majeure may not include delays due to missed or late issuance of any permits or administrative measures that the Lessee requests from competent authorities for implementation of the industrial plan, since they are considered and evaluated when drafting the time schedule.

For each year of delay in the implementation of the plan a penalty equal to 10% of the amount planned and not spent will be due.

Art. 20 (modifications and severability)

Any modification of this lease will not be valid and binding unless proven by written act signed by the party in respect of whom the change is to be applied. The invalidity or ineffectiveness of one or more provisions of this lease will not affect the validity and the effectiveness of the remaining clauses, which shall remain accordingly fully valid and enforceable.

Art. 21 (tolerance)

If a party tolerates conduct from the other with regard to violation of the provisions of this lease, this will not constitute a waiver of the rights arising from the provisions violated, or of the right to demand exact compliance with all the terms and conditions herein.

Art. 22 (disputes)

All disputes arising from this lease, including those relating to its validity, interpretation, execution and termination will be referred to an arbitration board of three arbitrators, two nominated by the parties and the third acting as chairman, appointed by the arbitrators, or in the event of disagreement, by the president of the Courts of Naples. The arbitration will be regulated by the Italian Code of Civil Procedure. The arbitrators will proceed by formal arbitration based on law.

Art. 23 (rules of court)

For any matters not expressly stated in this lease, reference is made to current Civil Code regulations.

Art. 24 (legal, registration and notary fees)

The costs of the insolvency and contractual proceedings, including those of assistance to Terme di Agnano for the drafting of bid documents, shall be payable by the Lessee in an amount equal to the professional legal counsel rate indicated in Ministerial Decree 140/2012, with the application of the minimum coefficients established with reference to the total value of the offer (ten-year lease in addition to the amount provided by the industrial investment plan in the first decade) for

the bracket applied to contracts in excess of €2,000,000.00 of the extrajudicial table of the aforementioned tariff, and will be paid to Terme di Agnano within thirty days from the stipulation of this lease. The aforementioned amount cannot, however, exceed €100,000 (one hundred thousand), net of pension fund contributions and VAT.

The registration fee of this lease, which the parties declare to be subject to VAT for the purposes of current legislation, will be borne by the Lessee.

Notary expenses are charged to the Lessee.

Art. 25 (Art. 1341 Italian Civil Code)

In accordance with and for the purposes of Art. 1341, the conditions and stipulations contained in articles 8 (rent); 10 (Lessee obligations and liabilities. Industrial investment plan); 11 (security deposit as a guarantee of the fulfilment of obligations); 12 (return of the company and replacement of movables); 19 (express lease termination); 20 (modifications and severability); 22 (disputes); 24 (legal, registration and notary fees) are specifically approved.

Naples,

Signed

Terme di Agnano S.p.A.

The Lessee

Annexes

In accordance with and for the purposes of Art. 1341, the conditions and stipulations contained in articles 8 (rent); 10 (Lessee obligations and liabilities. Industrial investment plan); 11 (security deposit as a guarantee of the fulfilment of obligations); 12 (return of the company and replacement of movables); 19 (express lease termination); 20 (modifications and severability); 22 (disputes); 24 (legal, registration and notary fees) are specifically approved.

Signed

Terme di Agnano S.p.A.

The Lessee