



**TIIT SEPP, NOTARY PUBLIC IN AND FOR TALLINN**

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NUMBER IN THE REGISTER OF NOTARY'S PROFESSIONAL ACTIVITIES

1760

**CONTRACT UNDER THE LAW OF OBLIGATIONS FOR ESTABLISHMENT  
OF THE RIGHT OF SUPERFICIES AND REAL ENCUMBRANCE  
AND  
CONTRACT UNDER THE LAW OF OBLIGATIONS FOR ESTABLISHMENT  
OF REAL SERVITUDES**

**This notarial instrument has been drawn up and attested by Indra Schmidt, substituting notary for Notary in and for Tallinn Tiit Sepp, in the capacity of notary, on the twenty first of April two thousand twenty-six (21.04.2026), in the Republic of Estonia, and the parties to this notarial instrument are**

**Republic of Estonia**, hereinafter referred to as the **Owner**, acting through the **Defence Ministry** as the agency authorised to manage state assets, which is registered in the State Register of State and Local Government Agencies under registry code 70004502, address Sakala 1, Tallinn, email address info@rkik.ee, represented by, on the basis of the power of attorney submitted to the notary public **Tambet Tõnisson**, personal identification code 37512156014, whose identity is known to the notary and who represents and warrants that his authorisation to enter into this contract in the name of the principal is sufficient and valid and has not been withdrawn or revoked,

**ARCA Baltics Operations OÜ**, registry code 17084780, address Vesivärava Street 50, Tallinn, email address arca.baltic@arcadefense.com.tr, hereinafter referred to as the **Superficiary**, represented by, on the basis of the power of attorney submitted to the notary public, **Gökay Güran Kisa**, date of birth 18.09.1984, personal identification code of Republic of Turkey 12340943084, who is identified by a passport of the Republic of Turkey (*since the participant's representative does not have sufficient command of the Estonian language, the certifier of the notarial deed explained to them the right to request a written translation of the notarial deed, but the participant's representative waived this right*), and who represents and warrants that his authorisation to enter into this contract in the name of the principal is sufficient and valid and has not been

withdrawn or revoked,

the Owner and the Superficiary are hereinafter **severally** referred to as the **Party** and **jointly** as the **Parties**.

**The Parties enter into this contract (hereinafter referred to as the Contract) as follows:**

**1. REGISTERED IMMOVABLE TO BE ENCUMBERED WITH THE RIGHT OF SUPERFICIES, SERVIENT IMMOVABLE 1, SERVIENT IMMOVABLE 2 AND SERVIENT IMMOVABLE 3**

**1.1.** The Owner owns the registered immovable located at **Põhjaala, Varinurme Village, Lügänuše Municipality, Ida-Viru County and Kanali, Varinurme Village, Lügänuše Municipality, Ida-Viru County and Lõunaala, Varinurme Village, Lügänuše Municipality, Ida-Viru County** with its essential parts and accessories, hereinafter referred to as the **Registered Immovable**, which has been entered into the land register department of Tartu County Court under register part No. **3271708**.

**1.1.1.** According to the data in the first division of the land register part, the composition of the land includes cadastral code 44201:001:1330, area 488,556 m<sup>2</sup>, address Põhjaala, Varinurme Village, Lügänuše Municipality, Ida-Viru County, specific purpose of the land: production land (50%), commercial land (50%).

cadastral code 44201:001:1329, area 183,876 m<sup>2</sup>, address Kanali, Varinurme Village, Lügänuše Municipality, Ida-Viru County, specific purpose of the land: transport land (100%);

cadastral code 44201:001:1330, area 737,550 m<sup>2</sup>, address Lõunaala, Varinurme Village, Lügänuše Municipality, Ida-Viru County, specific purpose of the land: production land (50%), commercial land (50%).

**1.1.2.** Republic of Estonia has been entered into the second division as the owner.

**1.1.3.** There are no valid entries in the third division.

**1.1.4.** There are no valid mortgage entries in the fourth division.

**1.2. The registered immovable to be encumbered with the right of superficies is the Registered Immovable, total area 1,409,982 m<sup>2</sup> or approximately 141 ha.**

**1.3.** In accordance with the **electronic database of the state register of construction works** ([www.ehr.ee](http://www.ehr.ee)), no construction works are located on the land unit included in the composition of the Registered Immovable (the Registered Immovable has not been developed) and the register of construction works does not include any data on any building permit or notice or use and occupancy permit or notice.

**1.4.** According to the **restrictions map** of the Land Cadastre, the restrictions related to the use of the land unit included in the composition of the Registered Immovable are the following:

Restrictions on cadastral unit 44201:001:1328:

Mineral deposit

scope: 412,086.30 m<sup>2</sup>; feature: Mineral deposit (Estonia); status: valid.

Restrictions on cadastral unit 44201:001:1329:

Mineral deposit

scope: 100,223.79 m<sup>2</sup>; feature: Mineral deposit (Estonia); status: valid.

Restrictions on cadastral unit 44201:001:1330:

Protection zone of artificial recipient

scope: 371.90 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Ilmaste 4); status: valid;

scope: 11,476.43 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Ilmaste 2); status: valid;

Land improvement zone

scope: 2,514.82 m<sup>2</sup>; feature: area of land improvement system; status: valid.

Mineral deposit

scope: 258,083.07 m<sup>2</sup>; feature: Mineral deposit (Estonia); status: valid.

Building exclusion zone of shore or bank

scope: 875.68 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Ilmaste 4); status: valid;

scope: 18,471.89 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Ilmaste 2); status: valid;

Limited management zone of shore or bank

scope: 2,980.32 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Ilmaste 4); status: valid;

scope: 36,577.01 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Ilmaste 2); status: valid;

Water protection zone of shore or bank

scope: 192.35 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Ilmaste 4); status: valid;

scope: 8,031.01 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Ilmaste 2); status: valid;

scope: 8,073.00 m<sup>2</sup>; feature: Canal, main ditch (catchment area 10 km<sup>2</sup> and over) (Ilmaste main ditch); status: valid.

**1.5. According to the information the Land Cadastre:**

**1.5.1.** the land use type categories of the land unit with the cadastral code 44201:001:1328 is: other land 737,550.0 m<sup>2</sup>;

**1.5.2.** the land use type categories of the land unit with the cadastral code 44201:001:1329 is: other land 183,876.0 m<sup>2</sup>;

**1.5.3.** the land use type categories of the land unit with the cadastral code 44201:001:1330 is: forest land 38,182.0 m<sup>2</sup> and other land 450,374.0 m<sup>2</sup>.

**1.6.** The Owner owns the registered immovable located at **Paeplatsi, Varinurme Village, Lügause Municipality, Ida-Viru County** with its essential parts and accessories, hereinabove and hereinafter referred to as **Servient Immovable 1**,

which has been entered into the land register department of Tartu County Court under register part No. **26906250**.

- 1.6.1. The land includes cadastral code 44201:001:1331, area 1,082,782.0 m<sup>2</sup>, address Paeplatsi, Varinurme Village, Lügause Municipality, Ida-Viru County, specific purpose of the land: mining industry land (100%).
- 1.6.2. Republic of Estonia has been entered into the second division as the owner.
- 1.6.3. There are no valid entries in the third division.
- 1.6.4. There are no valid mortgage entries in the fourth division.

1.7. According to the **restrictions map** of the Land Cadastre ([www.maaamet.ee](http://www.maaamet.ee)), the restrictions related to the use of the land unit included in the composition of Servient Immovable 1 are the following:

Restrictions on cadastral unit 44201:001:1331:

Protection zone of artificial recipient

scope: 568.96 m<sup>2</sup>; feature: Artificial recipient of land improvement system of up to 10 km<sup>2</sup> (Liignurme1/TTP-269/Püssi); status: valid;

scope: 165.63 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Uuemõisa creek); status: valid;

Protection zone of an electrical installation

scope: 44.90 m<sup>2</sup>; feature: Overhead transmission line 1–20 kV (medium voltage power line) (SAX-50); status: valid;

Protection zone of a geodetic mark

scope: 28.09 m<sup>2</sup>; feature: Geodetic marks (7254); status: valid;

scope: 20.96 m<sup>2</sup>; feature: Geodetic marks (4070); status: valid;

Land improvement zone

scope: 14.54 m<sup>2</sup>; feature: Area of land improvement system (Liignurme1/TTP-269/Püssi); status: valid.

Mineral deposit

scope: 532,810.36 m<sup>2</sup>; feature: Mineral deposit (Estonia); status: valid.

Planning area

scope: 13.25 m<sup>2</sup>; feature: Densely populated area; status: valid;

scope: 13.25 m<sup>2</sup>; feature: Densely populated area (comprehensive plan of Lügause Municipality); status: valid;

Building exclusion zone of shore or bank

scope: 460.30 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Uuemõisa creek); status: valid;

scope: 1,184.58 m<sup>2</sup>; feature: Area up to 10 ha, a body of water with a catchment area of up to 25 km<sup>2</sup> (Uuemõisa creek); status: valid.

Limited management zone of shore or bank

scope: 1,837.72 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Uuemõisa creek); status: valid;

scope: 2,373.66 m<sup>2</sup>; feature: Area up to 10 ha, a body of water with a catchment area of up to 25 km<sup>2</sup> (Uuemõisa creek); status: valid.

Water protection zone of shore or bank

scope: 47.33 m<sup>2</sup>; feature: Artificial recipient of land improvement system of up to 10 km<sup>2</sup> (Liignurme1/TTP-269/Püssi); status: valid;

scope: 73.61 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Uuemõisa creek); status: valid;

scope: 473.99 m<sup>2</sup>; feature: Area up to 10 ha, a body of water with a catchment area of up to 25 km<sup>2</sup> (Uuemõisa creek); status: valid.

Limited management zone not defined

scope: 1.58 m<sup>2</sup>; feature: Species and fossils in protected category I (Varinurme); status: valid.

**1.8.** The Owner owns the registered immovable located at **Sonda Forest District 20, Varinurme Village, Lügause Municipality, Ida-Viru County** with its essential parts and accessories, hereinabove and hereinafter referred to as **Servient Immovable 2**, which has been entered into the land register department of Tartu County Court under register part No. **15672250**.

**1.8.1.** The land includes cadastral code 75101:003:0114, area 172,983.0 m<sup>2</sup>, address Sonda Forest District 20, Varinurme Village, Lügause Municipality, Ida-Viru County, specific purpose of the land: profit yielding land (100%).

**1.8.2.** Republic of Estonia has been entered into the second division as the owner.

**1.8.3.** There are no valid entries in the third division.

**1.8.4.** There are no valid mortgage entries in the fourth division.

**1.9.** According to the **restrictions map** of the Land Cadastre ([www.maaamet.ee](http://www.maaamet.ee)), the restrictions related to the use of the land unit included in the composition of Servient Immovable 2 are the following:

Restrictions on cadastral unit 75101:003:0114:

Protection zone of artificial recipient

total scope: 9,884.70 m<sup>2</sup>; feature: Artificial recipient of land improvement system of up to 10 km<sup>2</sup> (Liignurme1/TTP-269/Püssi); status: valid.

Protection zone of a geodetic mark

scope: 28.09 m<sup>2</sup>; feature: Geodetic marks (2558); status: valid;

Land improvement zone

scope: 157,529.59 m<sup>2</sup>; feature: Area of land improvement system (Liignurme1/TTP-269/Püssi); status: valid.

Mineral deposit

scope: 165,858.37 m<sup>2</sup>; feature: Mineral deposit (Estonia); status: valid.

Planning area

scope: 50.95 m<sup>2</sup>; feature: Densely populated area; status: valid;

scope: 50.95 m<sup>2</sup>; feature: Densely populated area (comprehensive plan of Lügause Municipality); status: valid;

Building exclusion zone of shore or bank

scope: 4,491.66 m<sup>2</sup>; feature: Area up to 10 ha, a body of water with a catchment area of up to 25 km<sup>2</sup> (Uuemõisa creek); status: valid.

Limited management zone of shore or bank

scope: 18.65 m<sup>2</sup>; feature: Artificial recipient of land improvement system with a catchment area of 10–25 km<sup>2</sup> (Uuemõisa creek); status: valid;

scope: 10,068.76 m<sup>2</sup>; feature: Area up to 10 ha, a body of water with a catchment area of up to 25 km<sup>2</sup> (Uuemõisa creek); status: valid.

Water protection zone of shore or bank

total scope: 389.43 m<sup>2</sup>; feature: Artificial recipient of land improvement system of up to 10 km<sup>2</sup> (Liignurme1/TTP-269/Püssi); status: valid;

scope: 1,624.93 m<sup>2</sup>; feature: Area up to 10 ha, a body of water with a catchment area of up to 25 km<sup>2</sup> (Uuemõisa creek); status: valid.

Limited management zone not defined

scope: 38,595.88 m<sup>2</sup>; feature: Species and fossils in protected category I (Varinurme); status: valid.

**1.10.** The Owner owns the registered immovable located at **Liignurme Mining Field, Varinurme Village, Lügause Municipality, Ida-Viru County** with its essential parts and accessories, hereinabove and hereinafter referred to as **Servient Immovable 3**, which has been entered into the land register of the department of Tartu County Court under register part No. **4689308**.

**1.10.1.** The land includes cadastral code 75101:003:0298, area 616,318.0 m<sup>2</sup>, address Paeplatsi, Varinurme Village, Lügause Municipality, Ida-Viru County, specific purpose of the land: mining industry land (100%).

**1.10.2.** Republic of Estonia has been entered into the second division as the owner.

**1.10.3.** There are no valid entries in the third division.

**1.10.4.** There are no valid mortgage entries in the fourth division.

**1.11.** According to the **restrictions map** of the Land Cadastre ([www.maaamet.ee](http://www.maaamet.ee)), the restrictions related to the use of the land unit included in the composition of Servient Immovable 3 are the following:

Restrictions on cadastral unit 75101:003:0298:

Protection zone of a geodetic mark

scope: 28.09 m<sup>2</sup>; feature: Geodetic marks (2183); status: valid;

Land improvement zone

scope: 9.00 m<sup>2</sup>; feature: Area of land improvement system (Liignurme 2/TTP-269 Püssi); status: valid.

Mineral deposit

scope: 195,277.80 m<sup>2</sup>; feature: Mineral deposit (Estonia); status: valid.

Limited management zone not defined

scope: 37,579.75 m<sup>2</sup>; feature: Species and fossils in protected category II (Varinurme); status: valid.

total scope: 65,153.35 m<sup>2</sup>; feature: category III protected species and fossils; status: valid.

**1.12.** The person who attests to the notarial instrument has verified the data set out in respect of the Registered Immovable, Servient Immovable 1, Servient Immovable 2 and Servient Immovable 3 specified in clause 1 of the Contract in the foregoing electronic databases via the e-Notary information system or at Internet addresses on the day of authentication of the Contract (21.04.2026).

**1.13. For the sake of clarity, the terms defined in the Contract are:**

**1.13.1. Site Plan** – the plan attached to the Tender showing the original location of the Construction Works to be built on the Area of the Right of Superficies within the Area of the Right of Superficies.

**1.13.2. Real Right Contract** – the real right contract to be entered into in addition to the Contract (contract under the law of obligations) and on the basis of the Contract for encumbering the Registered Immovable with a right of superficies and for encumbering the right of superficies to be established with a real encumbrance and a notation, and for entering the real servitudes in the land register.

**1.13.3. Construction Works** – the construction works to be erected and/or located on the Area of the Right of Superficies.

**1.13.4. Preparatory Works** – the activities needed to prepare the Project.

**1.13.5. Superficies Charge** – the payment for right of superficies set out in clause 7.8 of the Contract, which at the time of conclusion of the Contract is €403,542 (based on €2,862 per every hectare of the Area of the Right of Superficies) per year, plus VAT.

**1.13.6. Right of Superficies** – the right of superficies with a term of 70 years to be established on the Registered Immovable pursuant to clause 4.1 of the Contract and to be acquired by the Superficiary for the implementation of the Project.

**1.13.7. Area of the Right of Superficies** – the entire area of the Registered Immovable.

**1.13.8. Access Road** – the road from the public road (registered immovable 8034050, 17120 Sämi-Sonda-Kiviõli Road) to the border of the Area of the Right of Superficies (main entrance in the southeastern corner of the Area of the Right of Superficies) stipulated in clause 5.12.1. of the Contract.

**1.13.9. Defence Industry Park** – the industrial park designed onto the Registered

- Immovable according to the Plans where office buildings, industrial buildings and facilities, chemical industry buildings and facilities, warehouses, special buildings, water distribution pipelines, sewerage facilities, electricity and communication lines and other associated local facilities, fences and gates, roads and other facilities necessary for the operation of the industrial park, such as a munitions or explosives testing site and site for destruction of explosives production waste are planned to be established.
- 1.13.10. Registered Immovable** – the registered immovable belonging to the Owner, which has been entered in the land register department of Tartu County Court in register part No. 3271708, which will be encumbered with the right of superficies.
- 1.13.11. Confirmation** – a request for entry into the Real Right Contract submitted by the Superficiary to the Owner in writing pursuant to clause 13.2 of the Contract.
- 1.13.12. Commissioning Date** – the date on which the use of the Construction Works for the purposes of the Project has commenced, including the Operation Authorisation has been issued to the Superficiary.
- 1.13.13. Operation Authorisation** – the operation authorisation specified in subsection 83<sup>41</sup> (1) of the Weapons Act, which is required at the site where military weapons, weapon systems, ammunition or munitions are handled, whereby pursuant to subsection 83<sup>49</sup> (3) of the Weapons Act, the requirements for the handling site are established by the Minister responsible for the organisation of national defence by a regulation pursuant to subsection 83<sup>2</sup> (3) of the Weapons Act.
- 1.13.14. Withdrawal Notice** – the request for termination of the Contract submitted by the Superficiary to the Owner in writing in accordance with clause 14.1 of the Contract.
- 1.13.15. Tender** – the final tender submitted in the selective tender for the Defence Industry Park specified in clause 2.3.6 of the Contract on 01.04.2026.
- 1.13.16. Car Park** – the car park set forth in clause 5.12.3 of the Contract at the main entrance to the Area of the Right of Superficies for at least three hundred (300) cars.
- 1.13.17. Plans** – the national designated spatial plan valid for the Registered Immovable and Servient Immovable 1, which has been established by Order No 151 “Partial Establishment of the National Designated Spatial Plan for the Defence Industry Park for the Pärnu 1 Area and Põhja-Kiviõli Area” adopted by the Government of the Republic on 22.08.2025.
- 1.13.18. Project** – construction of an ammunition plant by the Superficiary on the Right of Superficies, operation of the plant after construction of the plant and removal of the plant at the end of the Right of Superficies by the Superficiary. The Project covers the construction and operation of all the construction works reasonably required for the establishment and operation of the ammunition plant, including the relevant buildings and infrastructure. The objective of the Superficiary is to handle the products specified in the Tender submitted by the Superficiary and other ammunition, munitions not containing explosive material, munitions containing explosive material and military explosive material or

- military explosive substances or their components in the ammunition plant to be built on the Right of Superficies. In order to avoid ambiguity, the Project does not cover the manufacture of a pyrotechnic product if it is not a component of munitions or another product mentioned above.
- 1.13.19. Design specifications** – the design specifications provided for in clause 2.3.2 of the Contract.
- 1.13.20. Infrastructure** – the infrastructure specified in clause 5.12 of the Contract (including in its subclauses), including the Access Road, Emergency Route, the Car Park, the electricity network with connection points, bore well, drinking water pumping station, wastewater sewerage system with connection point, wastewater treatment plant, Internet cable with connection point and gas pipeline with connection point, the construction of which must be guaranteed by the Owner under the Contract (the Infrastructure may also be located outside the Area of the Right of Superficies).
- 1.13.21. Servient Immovable 1** – the registered immovable at Paeplatsi, Varinurme Village, Lügänuše Municipality, Ida-Viru County, which belongs to the Owner.
- 1.13.22. Servient Immovable 2** – the registered immovable at Sonda Forest District 20, Varinurme Village, Lügänuše Municipality, Ida-Viru County, which belongs to the Owner.
- 1.13.23. Servient Immovable 3** – the registered immovable at Liignurme Mining Field, Varinurme Village, Lügänuše Municipality, Ida-Viru County, which belongs to the Owner.
- 1.13.24. Activity Licence** – the activity licence stipulated in § 83<sup>33</sup> subsection (1) clause or 6) 1) of the Weapons Act required by the Superficiary for the implementation of the Project according to the Tender.
- 1.13.25. Emergency Route** – the path from the Access Road to the border of the Area of the Right of Superficies (emergency entrance in the northwestern corner of the Area of the Right of Superficies) stipulated in clause 5.12.2. of the Contract.

## **2. REPRESENTATIONS AND WARRANTIES OF PARTIES**

### **2.1. The representative of the Owner represents and warrants that:**

- 2.1.1.** The Registered Immovable, Servient Immovable 1, Servient Immovable 2 and Servient Immovable 3 are in the ownership of the Owner and they have not been seized, there are no disputes pending or no restrictions valid with regard to them, and they have not been encumbered with any third party rights not specified in the contract, including any third party rights not subject to entry in the land register, such as lease, commercial lease or other contracts for use.
- 2.1.2.** No registration applications have been submitted to the Land Registry Department with regard to Registered Immovable, Servient Immovable 1, Servient Immovable 2 and Servient Immovable 3.
- 2.1.3.** To the knowledge of the Owner, no restrictions relating to heritage conservation, nature conservation, national defence or any other restrictions apply or are being applied to the possession, use or disposal of the Registered Immovable, Servient

Immovable 1, Servient Immovable 2 and Servient Immovable 3, other than those specified in this Contract.

- 2.1.4. To the knowledge of the Owner, there is no environmental damage on the Registered Immovable that the Owner has not informed the Superficiary about or that could not have been noticed by the Superficiary upon inspection.
- 2.1.5. To the knowledge of the Owner, there are no above-ground or underground utility networks or utility facilities or other construction works that belong to third parties located on the land included in the composition of the Registered Immovable, of which the Owner has not notified the Superficiary or which the Superficiary could not have noticed during an inspection.
- 2.1.6. There are no pending disputes or proceedings with authorities or other persons in respect of the right of ownership of the Registered Immovable and the Owner is not aware of any reasons that could give rise to such disputes or proceedings, and there are no unresolved seizures or prohibitions imposed by the authorities on the Owner in respect of the Registered Immovable. No valid precepts or warnings have been issued in respect of the Registered Immovable.
- 2.1.7. The Owner has made all the payments relating to the Registered Immovable and use thereof, the due date of which has arrived, and the Registered Immovable is not subject to any overdue payments payable by the Owner.
- 2.1.8. The Owner does not provide any public assurance that it is possible to build the construction works on the Registered Immovable or that it is possible to do so on terms and conditions acceptable to the Superficiary.
- 2.1.9. The Owner does not give any direct or indirect representation not expressly stated in clause 2.1 of the Contract.
- 2.1.10. At the time of the conclusion of the Contract, Administrative Case No 3-25-3125 is pending before the Tallinn Administrative Court regarding the Pärnu area, according to which preliminary legal protection has not been applied.
- 2.1.11. This Contract is entered into in accordance with Ministry of Defence Directive No 1-2/26/72 of 14.04.2026 "*Confirmation of the Results of the Selective Tender*" and Ministry of Defence Directive No 1-2/26/82 of 21.04.2026 "*Changing the Ministry of Defence Directive No 2/26/72 of 14.04.2026 Confirmation of the Results of the Selective Tender*".
- 2.1.12. At the time of the conclusion of the Contract, there is no direct access to the Registered Immovable from a public road.

## **2.2. The representative of the Superficiary represents and warrants that:**

- 2.2.1. The Superficiary has reviewed, to the extent considered necessary by the Superficiary, the Area of the Right of Superficies, reviewed the layout of the area of the Defence Industry Park and based on the aforementioned data, the Superficiary is aware, to the extent deemed necessary by the Superficiary, of the size and borders of the Area of the Right of Superficies and its suitability for the implementation of the Project according to the Plan as much as possible without carrying out the respective additional surveys (e.g. the design requires topogeodetic and geological surveys). The Owner has answered all the Superficiary's questions regarding the Registered Immovable.
- 2.2.2. The Superficiary is aware of the restrictions applicable to the Registered

- Immovable specified in the Contract and their content, but not of the impact on the use of the Registered Immovable or the implementation of the Project.
- 2.2.3. The Superficiary has no current tax arrears and the main activity of the Superficiary according to the business registry is professional, scientific and technical activities, EMTAK (2008) 70221.
  - 2.2.4. The Superficiary has not been issued a licence for the handling of military weapons or explosives.
  - 2.2.5. Under the articles of association and by the resolutions of the management bodies of the Superficiary, the representative of the Superficiary has all the rights, powers and consents for entering into this Contract, the representative is not aware of any circumstances that could limit or hinder them from entering into this transaction.
  - 2.2.6. The Superficiary is a company with passive legal capacity and entry into this Contract does not damage the interests of the Superficiary's creditors, and no liquidation or bankruptcy proceedings have been commenced with respect to the Superficiary or no bankruptcy caution has been filed against the Superficiary.
  - 2.2.7. None of the members of the management board of the Superficiary has a criminal record.

**2.3. The representative of the Owner and the representative of the Superficiary represent and warrant that:**

- 2.3.1. The Area of the Right of Superficies is located in the Planning Area where office buildings, industrial buildings and facilities, chemical industry buildings and facilities, warehouses, special buildings, water distribution pipelines, sewerage facilities, electricity and communication lines and other associated local facilities, fences and gates, roads and other facilities necessary for the operation of the industrial park, such as a munitions or explosives testing site and site for destruction of explosives production waste are planned to be established for the implementation of the Project.
- 2.3.2. No detailed solution was prepared when the plan was established and it was established on the basis of the preliminary selection of the location of the Plan, which is why the erection of buildings on the Registered Immovable requires the prior issue of the design specifications (subsection 26<sup>1</sup> (1) of the Building Code).
- 2.3.3. The Parties have reviewed the Plan, its explanatory memorandum and the annex to the explanatory memorandum, their content is known to the Parties and they waive the right to have these documents read out to them and annexed to the Contract.
- 2.3.4. The Owner does not provide any assurance that design specifications or a building permit will be issued for the Registered Immovable on terms and conditions acceptable to the Superficiary.
- 2.3.5. The Estonian Centre for Defence Investments, registry code 70009764, announced a selective tender on 09.04.2025 to grant the right to use the land by the establishment of a right of superficies for a period of up to 70 years to support the development of the Estonian defence and security sector, providing the possibility to use the land for manufacturing ammunition, non-explosive munitions, explosive munitions, military explosive material or military explosive

- substances, or components of the aforementioned items, to the extent necessary to ensure the infrastructure necessary for the aforementioned activities, including the construction of production and other buildings and facilities, on the site of the Defence Industry Park to be developed in accordance with the national designated spatial plan and complies with the decision on the pre-selection of the site of the Defence Industry Park in the national designated spatial plan.
- 2.3.6.** A Tender was submitted in the selective tender procedure of the Defence Industry Park specified in clause 2.3.5 of the Contract together with the Site Plan, which may change in the processing of the Design Specifications.
- 2.3.7.** They are aware of the fact that, in addition to the Contract (contract under the law of obligations), the Superficiary and the Owner must also enter into the Real Right Contract.
- 2.4.** The Parties guarantee and confirm that the representations and warranties provided by the respective Party in the Contract are true, complete and not misleading as at the moment of entry into the Contract and as at the moment of entry into the Real Right Contract. The extent to which the representations and warranties relate to facts known to the Owner is based on the Owner's knowledge at the time the Real Right Contract is signed. The representations and warranties given by the Superficiary in the Contract are deemed to be the representations and warranties given by the Superficiary when the Real Right Contract is entered into. To the extent in which representations and warranties are given in the Contract about the Registered Immovable, they are deemed to be given about the Registered Immovable when the Real Right Contract is entered into.

### **3. OBJECTIVES OF ENTRY INTO CONTRACT**

- 3.1.** The Superficiary uses the Right of Superficies for the implementation of the Project, including for the construction and operation of the Construction Works on the Area of the Right of Superficies. The Superficiary must inform the Owner of any changes in the nomenclature of the products manufactured at the plant.
- 3.2.** The Superficiary wants to acquire the right of superficies for the implementation of the Project under the terms and conditions stipulated in the Contract.
- 3.3.** The Superficiary has the right to plan the Project and perform the Preparatory Works also before the Real Right Contract is entered into.
- 3.4.** The Superficiary represents and warrants that the Superficiary does not consider the establishment of the servitudes required for the servicing and operation of the Defence Industry Park on the Registered Immovable before the entry into the Real Right Contract as damaging or restricting the rights of the Superficiary and hereby grants the Owner the consent to establish the respective servitudes, provided that the area of the servitudes does not obstruct the implementation of the Project, including the construction of the Construction Works, or the exercise of the right of superficies by the Superficiary in any other manner.

### **4. ESTABLISHMENT OF RIGHT OF SUPERFICIES, SCOPE AND TERM OF RIGHT OF SUPERFICIES**

- 4.1.** The Owner and the Superficiary have agreed and the Owner will establish for the

benefit of the Superficiary a right of superficies with payment with a first ranking and with a **term of seventy (70) years** on the Registered Immovable from the entry of the right of superficies in the land register.

- 4.2.** The Right of Superficies shall be established on the Registered Immovable to the full extent. The exact area and location of the construction works on the Registered Immovable shall be determined by the Design Specifications, and the Superficiary is thereby not allowed to construct the Buildings on the land unit with cadastral reference 44201:001:1329 that belongs to the composition of the Registered Immovable.
- 4.3.** The Right of Superficies does not extend to lines, pipelines and other utilities (utility networks and technical infrastructure) belonging to third parties and located on or running through the Registered Immovable.
- 4.4.** The Construction Works to be constructed on the Registered Immovable on the basis of the Right of Superficies form essential parts of the Right of Superficies.

## **5. ESTABLISHMENT AND OPERATION OF THE PROJECT**

- 5.1.** Under the Right of Superficies, the Superficiary has the right to construct all Buildings reasonably necessary for the implementation of the Project in the Area of the Right of Superficies. During the entire term of the Right of Superficies, the Superficiary has the right, if justifiably necessary, to relocate, replace, move, change the existing or add new Construction Works in the Area of the Right of Superficies by sending to the Owner a new site plan about this in advance, provided that these new Construction Works will be established to achieve the objective of the Project and that this does not damage the rights of the Owner and the other users of the Defence Industry Park.
- 5.2.** Unless otherwise agreed by the Parties, including in the Contract, the Superficiary is obliged to build all the Construction Works and the equipment necessary for the issue of the Operation Authorisation in the Area of the Right of Superficies.
- 5.3.** The Parties have agreed that the Commissioning Date must arrive no later than on 01.01.2030. The Parties shall cooperate to ensure that the Commissioning Date will arrive no later than on 01.01.2028. If the Commissioning Date is delayed due to litigation relating to the establishment of the Project (including disputes over the Plan, Design Specifications, Building Permit, Operation Authorisation, etc.) or due to delays in the possibility to connect to utility networks (e.g. the respective utility networks and/or connection points are not completed by the due date set in this Contract) or due to an unlawful delay by the processor of the relevant permit or design specifications, the deadline shall be extended by the time of the relevant litigation or delay (which shall be counted until the final enforced court decision becomes effective). For the sake of clarity, the Commissioning Date is not affected by private disputes with the Superficiary's suppliers, financiers and other partners.
- 5.4.** The Superficiary has the right to use the Right of Superficies, including the Construction Works, solely for achieving the objective of the Project. For the sake of clarity, this provision does not impose an obligation on the Superficiary to keep production running if it is not economically reasonable for the Superficiary to do so or if production is obstructed due to a circumstance beyond the Superficiary's control. This provision does not necessarily obligate the Superficiary to use all

Construction Works or equipment built on the Area of the Right of Superficies consistently.

- 5.5. The Owner and the Superficiary agree that the Superficiary will inform the Owner as soon as possible if it knows that the occurrence of a production stoppage is possible. The Owner and the Superficiary shall, no later than six (6) months after informing the Owner, enter into negotiations to end the production stoppage or to modify the terms of the Right of Superficies or to transfer the Right of Superficies.
- 5.6. Using the Right of Superficies for any purpose other than the objective of the Project is only permitted with the prior written consent of the Owner.
- 5.7. The merger, division and transformation of the Superficiary and the transfer of the ownership of the Superficiary's shares shall be permitted only with the prior written consent of the Owner until the Commissioning Date. The Owner has the right to withhold consent only if the proposed transaction would jeopardise the realisation of the Project. The Superficiary must notify the Owner of the changes provided for in this clause within a reasonable time in advance. The Owner shall give its consent within a reasonable period of time, but no more than three (3) months after the date of the request for consent, and the Superficiary must therefore give the Owner sufficient advance notice to allow the Owner time to decide whether to grant its consent before the proposed event takes place.
- 5.8. Giving the Right of Superficies into the ownership of a third party or giving the Area of the Right of Superficies in the use of a third party is only permitted with the prior written consent of the Owner. The Owner may not unreasonably refuse to give its consent for giving the Area of the Right of Superficies in the use of a third party. This is without prejudice to the validity of § 249<sup>1</sup> of the Law of Property Act.
- 5.9. In the event that there is growing forest in the Area of the Right of Superficies at the time of the conclusion of the Real Right Contract, which must be removed for the construction of the Construction Works in accordance with the Site Plan, the Owner is obliged, upon receipt of a reasoned request from the Superficiary, to arrange for the felling and removal of such forest from the Area of the Right of Superficies within a reasonably short period of time, but in any case no later than within six (6) months (taking into account the time not covered by nature conservation restrictions) from the date of receipt of the request by the Owner, with the proceeds from the sale of the forest belonging to the Estonian state. The Superficiary undertakes to maintain the tall vegetation in the Area of the Right of Superficies to the maximum extent possible. The Superficiary bears the costs incurred by the Owner for the felling of the forest (including the forest cutting charge under the Environmental Charges Act).

**5.10. The Superficiary shall:**

- 5.10.1. perform all of its obligations under the Contract;
- 5.10.2. not damage the parts of the Defence Industry Park that are outside the Area of the Right of Superficies;
- 5.10.3. have reasonable regard for the rights of service providers and the Owner and not cause more negative side effects in the use of the Defence Industry Park than are permitted under the legislation governing the activities of the Superficiary;
- 5.10.4. perform all the obligations under the Activity Licence, the Operation Authorisation and the law and ensure that all necessary permits, consents and

- approvals are in place and valid upon the intended use of the Right of Superficies;
- 5.10.5. comply with industry best practices, including health and safety requirements, applicable in the Project's field of activity;
  - 5.10.6. ensure compliance with all maintenance, environmental protection, fire safety, etc. requirements in the Area of the Right of Superficies, avoiding by its activities any harmful environmental and other impacts on the Owner's property and people's health that exceed the applicable standards, and immediately remedy and compensate any damage caused by the Superficiary's unlawful acts or omissions, including to third parties;
  - 5.10.7. immediately notify the Owner's contact persons and, if necessary the Emergency Response Centre, of any breakdown, fire or any other accident occurring in the Area of the Right of Superficies and the Defence Industry Park, and immediately take measures to prevent and minimise any possible damage resulting from the event and to eliminate the consequences of the event;
  - 5.10.8. tolerate the possible negative side effects of the operation of the Defence Industry Park to be built on the basis of the Plan, including the negative effects (including noise, shock waves, vibrations, etc.) from the construction works to be built in the Defence Industry Park, which may exceed the mandatory or recommended limits established by legislation or standards, or levels generally considered desirable or healthy, and the movement restrictions caused by the buildings in the Defence Industry Park. The negative side effects of the Defence Industry Park may not bring about the establishment of limited management zones in the Area of the Right of Superficies that would obstruct the exercise of the Right of Superficies.
  - 5.11. In order to establish an electricity connection in the Area of the Registered Immovable, the Owner undertakes to submit a connection request to the network operator and to bear the costs related to the connection of the Registered Immovable to the electricity network, including the connection fee. The Owner undertakes to allow the electricity network operator to use the area of the Defence Industry Park up to the boundary of the Registered Immovable free of charge for the construction of the infrastructure necessary for the establishment of the electricity connection, including establish the corresponding servitudes at the request of the network operator.
  - 5.12. **The Owner shall:**
    - 5.12.1. provide, at its own expense, the construction of a **two-way paved (asphalt) road** with lighting as provided for in the Plan from the public road (registered immovable number 8034050, 17120 Sämi-Sonda-Kiviõli road) to the boundary of the Area of the Right of Superficies, no later than within twelve (12) months from the conclusion of the Real Right Contract. The Access Road starts from the boundary of the Area of the Right of Superficies (at the proposed main entrance in the southeastern corner of the Area of the Right of Superficies) and runs through Servient Immovable 1, Servient Immovable 2, Servient Immovable 3, Mati tee T1 registered immovable (registered immovable No. 7140450) and Baasi tee registered immovable (registered immovable No. 7101950) to the public Sämi-Sonda-Kiviõli road (registered immovable No. 8034050). The location of the Access Road is shown on the site plan that is an annex to the Contract with a blue line. The Access Road must be designed and constructed to allow the safe

- movement of passenger cars and lorries (including vehicles of categories M3 and N3 with trailers of category O4) and to withstand a traffic load of at least one thousand (1000) passenger cars per day (in both directions combined) and at least one hundred (100) lorries per day (in both directions combined).
- 5.12.2.** Guarantee, at its own expense, the existence a two-way gravel or crushed stone driveway on Servient Immovable 1 and the privately owned Liignurme registered immovable (registered immovable No. 2172408) from the emergency exit at the southwest corner of the Area of the Right of Superficies to the paved access road, i.e. an **Emergency Road**, no later than twelve (12) months from the date of the Real Right Contract. The location of the Emergency Road is shown on the Site Plan that is an annex to the Contract with a red line. The Access Road must be designed and constructed to allow the safe movement of passenger cars and lorries (including vehicles of categories M3 and N3 with trailers of category O4). The Superficiary maintains the Emergency Road according to its needs.
- 5.12.3.** Guarantee, at its own expense, the construction of a hard surface (asphalt) car park at the entrance to the Area of the Right of Superficies, no later than twelve (12) months from the date of the Real Right Contract. The Superficiary shall ensure the routine maintenance of the car park.
- 5.12.4.** Keep the Access Road (Paved Road Condition Level 3), the Emergency Road (Gravel Road Condition Level 2) and the Car Park (Paved Street Condition Level 1) in the required condition and good order at its own expense throughout the term of the Right of Superficies until the expiry of the Right of Superficies, including arrange snow clearing and reasonably necessary road repairs (the Owner is not obliged to arrange snow clearing in the Car Park and on the Emergency Road). The condition of the Access Road and the Car Park will be assessed by the Owner every May and, after that, repairs will be carried out on cracks up to 2.0 cm in width and on crumbling of the road surface up to 2.5 cm in depth. Holes in the Access Road up to 20.0 cm in diameter and up to 5.0 cm in depth are allowed from 15.11–01.06. The maximum depth of ruts allowed on the Access Roads is 4 cm and the maximum depth of loose snow is 8 cm.
- 5.12.5.** Provide, at its own expense and for the entire term of the Right of Superficies, the legal and physical access to the Area of the Right of Superficies from the public road (registered immovable number 8034050, 17120 Sämi-Sonda-Kiviõli road) required by the Superficiary for the implementation of the Project and using the Right of Superficies for its the intended purpose, for both cars and lorries (including vehicles of categories M3 and N3 with trailers of category O4) and to establish the necessary servitudes in favour of the Superficiary for this purpose or to ensure the establishment of the respective access servitudes, including on Servient Immovable 1, Servient Immovable 2, Servient Immovable 3, Mati tee T1 registered immovable (registered immovable number 7140450) and Baasi tee registered immovable (registered immovable number 7101950), and the privately owned Sonda road 15 registered immovable (registered immovable register part number 4511308; cadastral reference 30901:001:0015) no later than within twelve (12) months of entry into the Real Right Contract.
- 5.12.6.** Provide to the Superficiary, at its own expense and no later than twelve (12) months from the conclusion of the Real Right Contract, the physical and legal

possibility to connect to the electricity network of the network operator of the area, with a medium-voltage connection capacity of 5MW. The Owner is thereby obliged to pay to the network operator the costs related to the connection of the Registered Immovable and the Right of Superficies to the electricity network, including the connection fee. The Superficiary pays for the electricity consumed in accordance with the electricity sales contract to be entered into between the Superficiary and the electricity undertaking (for the sake of clarity, the Superficiary also pays the network charge and other electricity price components related to its consumption).

- 5.12.7.** Provide, at its own expense, no later than within twelve (12) months from the conclusion of the Real Right Contract, the physical and legal possibility for the Superficiary to consume **water of drinking water quality** in the Area of the Right of Superficies in a volume of at least ten thousand (10,000) cubic metres per calendar month ( $m^3/m$ ), which includes the construction of a respective Level I pumping station with a corresponding bore well in the Area of the Right of Superficies. The Owner bears the cost of the pumping station and the bore well. The bore well and pumping station to be constructed in the Area of the Right of Superficies shall, upon completion, be handed over to the possession and use of the Superficiary, who shall be responsible for their continued operation and maintenance throughout the term of the Right of Superficies, including pay the respective costs related to their operation and maintenance.
- 5.12.8.** Provide, at its own expense, no later than within twelve (12) months from the conclusion of the Real Right Contract, the legal and technical possibility for the Superficiary to consume **the wastewater channelling and/or treatment service** in the Area of the Right of Superficies in a volume of at least ten thousand (10,000) cubic metres per calendar month ( $m^3/m$ ), which includes the construction of the respective treatment plant in the Area of the Right of Superficies or the bordering area of the Defence Industry Park and the respective sewerage line to the border of the Area of the Right of Superficies and the respective connection point at the border of the Area of the Right of Superficies. The Owner is obliged to bear all the costs of the construction of the corresponding wastewater treatment plants, the wastewater pipeline (from the outside to the connection point of the Area of the Right of Superficies) and the connection point and, if necessary, to conclude the respective connection agreement with the respective water undertaking. The Superficiary shall pay for the wastewater collection/treatment service in accordance with the wastewater collection/treatment service contract to be made between the Superficiary and the water undertaking. If the wastewater treatment plant and the wastewater pipeline (outside the Area of the Right of Superficies) are managed by the Owner, the Superficiary shall pay a cost-based service charge for the wastewater collection and treatment service, which may not include the costs incurred for the construction of the structures, facilities, pipeline and connection point of the respective wastewater treatment system.
- 5.12.9.** Provide, at its own expense, to the Superficiary, no later than twelve (12) months from the conclusion of the Real Right Contract, the physical and legal possibility in the Area of the Right of Superficies to consume the **Internet service** through a fibreoptic cable, which includes installing the fibreoptic cable to the border of the

- Area of the Right of Superficies and building the respective connection point on the border. The Owner pays the communication network connection fee to the network operator. The Superficiary shall pay for the Internet service in accordance with the Internet service contract to be made between the Superficiary and the communication undertaking.
- 5.12.10.** Provide, at its own expense, to the Superficiary, no later than twelve (12) months from the conclusion of the Real Right Contract, the physical and legal possibility to consume **natural gas** at the volume of up to 210 m<sup>3</sup>/h at a pressure of 1.5–2.8 bar in the Area of the Right of Superficies, which includes the construction of a natural gas pipeline to the boundary of the Area of the Right of Superficies and the construction of a connection point at the boundary. The Owner pays the gas pipeline connection fee to the network operator. The Superficiary shall pay for the gas in accordance with the gas consumption contract to be made between the Superficiary and the gas undertaking.
- 5.12.11.** Guarantee, at its own expense, no later than within twelve (12) months of the entry into the Real Right Contract, the construction of a solid 2,400 mm **fence** surrounding the Area of the Right of Superficies, which is additionally equipped with a razor wire at the top and recessed 30 cm into the ground (razor wire at the top, with two gates, the main gate being a “folding gate” and the reserve gate being a “sliding gate”). The fence with the gates is considered an essential part of the Right of Superficies and, once completed, the Superficiary will be responsible for their maintenance and upkeep, which includes bearing the respective costs. The exact technical specifications of the fence and the construction schedule shall be agreed between the Parties before the start of the construction, in order to enable the Superficiary to install the necessary surveillance equipment and sensors, including cameras, on the fence under reasonable conditions.
- 5.12.12.** Ensure the possibility to test fire the ammunition produced by the Superficiary in the course of the implementation of the Project in the Area of the Right of Superficies on the territory of Estonia (at least 15 firing days per calendar year up to a distance of 10 km).
- 5.12.13.** Guarantee, at the Owner’s expense, the construction of a “**canal crossing**” suitable for heavy equipment in five locations, including from both sides of the horizontal canal, the middle and southern end of the vertical canal, no later than 12 months from the date of the Real Right Contract.
- 5.12.14.** Ensure that the Access Road, the Emergency Road, the Car Park, the canal crossing and the wastewater infrastructure located outside the Area of the Right of Superficies are preserved and in good working order until the expiry of the term of the Right of Superficies.
- 5.13.** If the Owner fails to construct the Infrastructure within the time period specified in clause 5.12 (including its sub-clauses), the Commissioning Date assigned to the Owner under the Contract shall be extended by the time of the delay.

## **6. INSURANCE AND MAINTENANCE OBLIGATION**

- 6.1.** The Superficiary undertakes to insure the Construction Works at least to the extent and under the conditions customary in the area of activity throughout the term of the Right of Superficies.

6.2. The Superficiary must keep the Construction Works (including the equipment installed thereon) and the Area of the Right of Superficies in a reasonably good condition until the demolition of the Construction Works or the expiry of the Right of Superficies, whichever comes first.

## 7. PAYMENT FOR RIGHT OF SUPERFICIES AND AMENDMENT OF PAYMENT FOR RIGHT OF SUPERFICIES

- 7.1. The Superficiary must pay to the Owner, from the conclusion of the Real Right Contract until the Operation Authorisation is obtained, an annual payment in the amount of ten percent (10%) of the Superficies Charge, to which VAT is added in the cases and at the rate provided by law. From the date of receipt of the Operation Authorisation, the Superficiary must pay the Owner until submission of the notarised application for registration in the required format for the deletion of the Right of Superficies from the land register, the Superficies Charge valid at the relevant time, plus VAT in the cases and at the rate provided for by law.
- 7.2. The Superficiary is under no obligation to pay any charges to the Owner until the conclusion of the Real Right Contract.
- 7.3. The annual amounts of the Superficies Charge shall be paid in advance for the following period twice a year in equal amounts, by 1 July and 1 January of each year, on the basis of an invoice sent by the Owner.
- 7.4. For the first calendar half-year during which the Real Right Contract is concluded, the Superficies Charge shall be paid within ten (10) working days from the date of submission of the invoice to the Superficiary, but not earlier than ten (10) working days from the conclusion of the Real Right Contract. The charge for the first half-year will be calculated on a pro rata basis for the days remaining in the relevant half-year from the date of the conclusion of the Real Right Contract.
- 7.5. The Owner shall submit an invoice to the Superficiary no later than thirty (30) days before each payment date, indicating at least the amount of the Superficies Charge and the Owner's bank account number. As an exception, the Owner shall submit the first invoice within one (1) month from the date of the conclusion of the Real Right Contract. If the Owner submits the invoice later than provided for in the Contract, the deadline for payment of the respective invoice shall be extended by the duration of the respective delay.
- 7.6. The Owner shall submit to the Superficiary, by the 20th day of each month at the latest, an invoice for the utility services consumed in the previous month. The Superficiary must pay the invoice within thirty (30) days.
- 7.7. If the obligation to pay the Superficies Charge expires during the half-year, the overpaid Superficies Charge shall be refunded to the Superficiary in proportion to the number of days remaining until the end of the half-year. If the rate of the Superficies Charge changes during a half-year, the Superficiary shall pay the Superficies Charge at the changed rate from the next half-year, without recalculation of the Superficies Charge for previous periods.
- 7.8. The amount of the Superficies Charge at the time of the conclusion of the Real Right Contract is **€403,542 (based on €2,862 per each hectare of Area of the Right of Superficies) per year**, plus VAT in the cases and at the rate provided by law. The amount of the Superficies Charge shall be automatically adjusted every calendar year

starting from the second calendar year following the conclusion of the Real Right Contract, according to the change in the Estonian Consumer Price Index (IA02: CPI, 1997 = 100 (MONTHS)) published by Statistics Estonia (or, if the Statistics Estonia ceases to do so, by any other office or body publishing national statistics) during the previous year. If the publication of said index ends, the Owner will proceed from another index with a content as similar as possible. The Owner shall recalculate the change in the amount of the Superficies Charge for each indexation year as provided in this clause and shall notify the Superficiary thereof no later than by 1 July when submitting the invoice for the Superficies Charge payable.

- 7.9.** In the event of a delay in the payment of the Superficies Charge and the invoice for the utility services or any other financial obligation related to the Contract or the Right of Superficies, the party in breach has the right to claim late interest on the outstanding amount. The rate of late interest is 0.05% for each day of delay, or the statutory rate if it is higher than 0.05% per day.
- 7.10.** In order to secure the performance of the obligation to pay the Superficies Charge, a real encumbrance for the benefit of the actual owner of the Registered Immovable encumbered with the Right of Superficies is entered in the land register in the third division of the register part of the land register to be opened for the Right of Superficies at the first ranking, with the obligation of the actual holder of the Right of Superficies to be subject to immediate compulsory enforcement in order to satisfy a financial claim secured by the real encumbrance. The Owner and the Superficiary agree that, unlike the provisions of subsection 158 (3) of the Code of Enforcement Procedure, the real encumbrance securing the Superficies Charge shall preserve if the Owner claims payment for the Right of Superficies on the basis of the real encumbrance or a holder of any other restricted real right of a higher or the same ranking claims payment for the Right of Superficies.
- 7.11.** In order to secure the claim for the change in the Superficies Charge, a respective notation for the benefit of the actual owner of the Registered Immovable encumbered with the Right of Superficies is entered in the register part of the land register to be opened for the Right of Superficies at one and the same first ranking as the real encumbrance encumbering the Right of Superficies.

## **8. TRANSFER AND ENCUMBRANCE OF RIGHT OF SUPERFICIES AND TRANSFER OF REGISTERED IMMOVABLE**

- 8.1.** The Owner is required to ensure that upon transfer of the Registered Immovable encumbered with the Right of Superficies or part thereof (incl. upon change of the owner in the course of merger, division or transfer of an enterprise), except upon transfer in the course of enforcement and bankruptcy proceedings, the acquirer of the Registered Immovable encumbered with the Right of Superficies will take over all the agreements under the law of obligations entered into between the Owner and the Superficiary provided in the Contract. The Superficiary hereby grants their unconditional and irrevocable consent thereto.
- 8.2.** In order to transfer the Right of Superficies in full or in part, the Superficiary needs the prior consent of the actual owner of the Registered Immovable. By consenting to the transfer of the Right of Superficies, the Owner shall also be deemed to have

given its unconditional and irrevocable consent to the transfer of the rights and obligations under the Contract to the acquirer of the Right of Superficies.

- 8.3.** The Superficiary must ensure that upon transfer of the Right of Superficies or part thereof (including when the Superficiary changes in the course of merger, division or transfer of an enterprise), except in the case of transfer in the course of enforcement and bankruptcy proceedings, the acquirer of the Right of Superficies will take over all the agreements under the law of obligations entered into between the Owner and the Superficiary provided in the Contract.
- 8.4.** The prior consent of the Owner is required to encumber the Right of Superficies. The owner must decide whether to grant the consent within 30 days of receipt of the request containing sufficient information to grant consent. The establishment of a mortgage on the Right of Superficies without the prior consent of the Owner is permitted in favour of a credit institution registered in the European Economic Area.

## **9. FATE OF CONSTRUCTION WORKS UPON END OF TERM OF RIGHT OF SUPERFICIES OR TERMINATION OF RIGHT OF SUPERFICIES**

- 9.1.** The Parties have agreed that upon the expiry of the term of the Right of Superficies or expiry of the Right of Superficies on other grounds, except the ground stipulated in clauses 14.6.1 and 14.8 of the Contract, the Superficiary is required to dismantle and remove the Construction Works located in the Area of the Right of Superficies (excluding roads, bridges, ditches and drainage systems) at its own expense and maintain the Area of the Right of Superficies within one (1) years of the expiry of the term of the Right of Superficies or the expiry of the Right of Superficies. The Owner shall not pay compensation for the construction works left on the Registered Immovable, unless otherwise provided in the Contract.
- 9.2.** The Parties have agreed that if the Superficiary fails to perform the obligations set out in clause 9.1 by the deadline set out in the same clause, the Owner shall be entitled to remove the Construction Works and clean up the Area of the Right of Superficies itself and to claim compensation from the Superficiary for the reasonable costs incurred for the respective works.
- 9.3.** If the Superficiary's unlawful activity causes damage to third parties, including other users of the Defence Industry Park, the Superficiary must compensate for the damage.

## **10. RESTORATION OBLIGATION**

- 10.1.** If the Construction Works which form an essential part of the Right of Superficies are destroyed in whole or in part in such a way that it is not possible to continue with the achievement of the objective of the Project, the Superficiary shall not be obliged to restore the Construction Works if it gives notice of termination of the Right of Superficies in accordance with clause 14.7 (notifying the Owner in writing at least 12 months in advance of its intention to terminate and delete the Right of Superficies). In the event of termination of the contract for the Right of Superficies, the Superficiary must arrange for the removal of the destroyed Construction Works within the time and to the extent specified in clause 9.1.

## **11. FRUITS AND TAXES**

- 11.1.** During the term of the Right of Superficies, all the fruits to be received on account of the Right of Superficies belong to the Superficiary.
- 11.2.** During the term of the Right of Superficies, the Superficiary is obliged to bear all public encumbrances and to pay all taxes, including land tax, related to the Right of Superficies.
- 11.3.** In the event that in the future new charges or other financial obligations should be imposed on the ownership or operation of the Construction Works or the Right of Superficies, they shall be paid by the Superficiary.

## **12. PREPARATORY ACTIVITIES AND TRANSFER OF POSSESSION OF THE RIGHT OF SUPERFICIES**

- 12.1.** From the conclusion of the Contract until the conclusion of the Real Right Contract, the Superficiary has the right to carry out, at its own expense, the following activities necessary for the preparation of the Project, hereinabove and hereinafter the **Preparatory Works**, in accordance with all applicable laws and regulations applicable to the Preparatory Works, by notifying the Owner of this at least 5 working days prior to the commencement of the respective Preparatory Works:
  - 12.1.1.** to carry out the necessary surveys and investigations on the Registered Immovable, including investigations related to the environmental impact assessment, soil investigations (including soil boring) and to install appropriate temporary technical equipment or facilities for the purpose of carrying out such investigations;
  - 12.1.2.** to use the access roads to the area of the Plan, compensating for any damage caused by the Superficiary to the roads in excess of normal wear and tear.
- 12.2.** The Preparatory Works do not include the performance of construction works or other physical operations on the Registered Immovable, except if they are required for the preparation of the Project (above all, soil investigations, surveys related to environmental impact assessment, but not construction works). In the course of the Preparatory Works, the Superficiary does not have the right to cut down the forest on the Registered Immovable. To the extent that cutting the forest is necessary to carry out the Preparatory Works, it shall be organised by the Owner on the basis of the reasoned request of the Superficiary at the expense of the Superficiary.
- 12.3.** The Owner has the right to obtain from the Superficiary information about the Preparatory Works that the Superficiary has carried out and intends to carry out.
- 12.4.** The Preparatory Works may continue also after the submission of the Confirmation specified in clause 13.2 by the Superficiary.
- 12.5.** The Owner is obliged to provide the Superficiary with all the necessary declarations of intent related to the Preparatory Works and the implementation of the Project until the conclusion of the Real Right Contract or the termination of the Contract (whichever is earlier).
- 12.6.** The Owner and the Superficiary agree that the direct possession of the Area of the Right of Superficies is deemed as transferred to the Superficiary and the risk of the accidental destruction and damage of the Area of the Right of Superficies as

transferred to the Superficiary by entry into the Real Right Contract.

- 12.7.** The Owner and the Superficiary agree that the documents in the possession of the Owner that are accessories to the Area of the Right of Superficies, which are not retained in any public archives shall be delivered by the Owner to the Superficiary no later than fourteen (14) calendar days from the date of the Real Right Contract.

### **13. PREREQUISITES FOR ENTRY INTO REAL RIGHT CONTRACT**

- 13.1.** The Owner and the Superficiary agree to enter into the Real Right Contract and submit a registration application for the registration of the Right of Superficies, real encumbrance, servitudes and notations in a notarised form no later than 1 year and three months from the date of conclusion of this Contract, but no later than within three (3) months of compliance with the following conditions:

- 13.1.1.** the Superficiary has been issued with the necessary Activity Licence for the implementation of the Project according to the Tender; and  
**13.1.2.** the Superficiary has submitted the Confirmation referred to in clause 13.2 of the Contract to the Owner.

- 13.2.** The Superficiary undertakes to submit to the Owner, not later than within three (3) months from the date of the issue of the Activity Licence, a request for the conclusion of the Real Right Contract. The deadline for submitting the Confirmation will not be extended.

- 13.3.** The Real Rights Contract will be notarially authenticated. The Owner must inform the Superficiary of the time and place of the conclusion of the Real Right Contract at least 30 calendar days in advance after the submission of the Superficiary's Confirmation.

- 13.4.** All fees (including notary's fees) and state fees related to the conclusion of the Real Right Contract shall be paid by the Superficiary.

- 13.5.** Upon entry in the land register, the Right of Superficies will receive the first ranking in the third division of the register part opened with regard to the Registered Immovable. *The person who attests to the notarial deed has explained to the participants that, in order to enter the Right of Superficies in the land register, the entries encumbering the Registered Immovable at the time of the conclusion of the Real Right Contract must either be deleted or the rankings of the rights must be changed so that they rank after the Right of Superficies. The standard-format consent of the entitled persons is required for the deletion of notations or changing the rankings.*

- 13.6.** The Owner must ensure that the Owner does not transfer the ownership of the Registered Immovable to a third party before the registration of the Right of Superficies in the land register in the name of the Superficiary.

- 13.7.** The Owner must ensure that the Owner does not encumber the Registered Immovable with real rights or rights of obligation in favour of third parties (except for limited rights of use in favour of service providers, such as water and energy companies), as a result of which the encumbrance of the Registered Immovable with the right of superficies at the first ranking in the land register and/or the exercise of the right of superficies (construction of construction works in accordance with the

Plan, Design Specifications and/or the Site Plan) would be hindered.

- 13.8.** The Parties have agreed that a preliminary notation securing the establishment of the Right of Superficies is not entered in the land register in favour of the Superficiary on the basis of the Contract. *The attester to the notarial instrument has explained to the Parties that the Right of Superficies emerges and the Superficiary becomes the owner of the Right of Superficies from the moment the Right of Superficies is entered in the land register. Once the agreed conditions have been met, the Owner and the Superficiary shall enter into a notarised agreement on the establishment of the Right of Superficies, together with the obligation of the owner of the Right of Superficies to pay to the actual owner of the registered immovable encumbered with the Right of Superficies a charge, the payment of which shall be secured by encumbering the Right of Superficies with a real encumbrance and a note is entered in the land register to ensure it is changed.*
- 13.9.** The Owner and the Superficiary agree that the agreements of the Contract, about which an entry may be made in the land register as the content of the Right of Superficies, shall be entered in the land register to the maximum extent possible under the Real Right Contract, including the following agreements:
- 13.9.1.** The extent of the Right of Superficies pursuant to clauses 4.2 and 4.3 of the Contract;
- 13.9.2.** the obligation to construct pursuant to clauses 5.1 and 5.2 of the Contract;
- 13.9.3.** the obligation to use for the intended purpose pursuant to clauses 5.4, 5.6, 5.10.4 and 5.10.5 of the Contract;
- 13.9.4.** the obligation to insure pursuant to clause 6.1 of the Contract;
- 13.9.5.** the obligation to maintain pursuant to clauses 5.10.6 and 6.2 of the Contract;
- 13.9.6.** the agreement on the obligation to restore the construction work pursuant to clause 10.1 of the Contract;
- 13.9.7.** an agreement on the fate of the construction works and on the exclusion of the payment of compensation upon the expiry of the term of the right of superficies pursuant to clause 9.1 of the Contract;
- 13.9.8.** an agreement on the obligation of the Owner to pay a contractual penalty pursuant to clauses 15.2, 15.5 to 15.7 and 15.9.6 of the Contract;
- 13.9.9.** an agreement on the payment of taxes and encumbrances pursuant to clauses 11.2 and 11.3 of the Contract;
- 13.9.10.** the requirement of the consent of the owner of the encumbered immovable for the transfer of the right of superficies pursuant to clauses 5.8 and 8.2 of the Contract;
- 13.9.11.** the requirement of the consent of the owner of the encumbered registered immovable for the encumbrance of the right of superficies with limited real rights pursuant to clause 8.4 of the Contract.

#### **14. TERMINATION AND WITHDRAWAL FROM THE CONTRACT AND TERMINATION OF RIGHT OF SUPERFICIES**

- 14.1.** The Parties have agreed that if the Superficiary has not submitted the Confirmation to the Owner, the Owner and the Superficiary shall consider this Contract to be terminated as of the date of submission of the Withdrawal Notice by the Superficiary to the Owner. In the above case, the Superficiary has no right to

require the Owner to enter into the Real Right Contract until the Confirmation is submitted. The Superficiary is also not entitled to claim from the Owner any payments, fees or damages related to the object of the Contract.

- 14.2. The Superficiary has the right to withdraw from the Contract in the basis of a unilateral request by written notice until the conclusion of the Real Right Contract without granting a further period for performance of an obligation, if the conclusion of the Real Right Contract is delayed for reasons attributable to the Owner and it has still not been concluded at the moment of submission of the withdrawal request.
- 14.3. The Owner has the right to withdraw from the Contract by a unilateral request until the conclusion of the Real Right Contract without granting a further period for performance of an obligation, if any of the following grounds apply:
  - 14.3.1. the information provided by ARCA SAVUNMA SAN. TİCARET ANONİM ŞİRKETİ in the selective tender procedure or in the Tender proves to be incorrect;
  - 14.3.2. the Superficiary is refused an Activity Licence and the Superficiary has not submitted a new request within one (1) month of the refusal to grant an Activity Licence or the Superficiary has not been issued an Activity Licence within twelve (12) months of the conclusion of the Contract;
  - 14.3.3. the Superficiary fails to submit the Confirmation to the Owner within three (3) months from the date of issue of the Activity Licence;
  - 14.3.4. the Superficiary fails to submit a request for an Activity Licence within ninety (90) days of the conclusion of the Contract;
  - 14.3.5. the Superficiary withdraws the request for an Activity Licence and fails to submit a new request for an Activity Licence within 30 days of the withdrawal of the request for an Activity Licence;
  - 14.3.6. bankruptcy or reorganisation proceedings are ongoing in respect of the Superficiary;
  - 14.3.7. The conclusion of the Real Right Contract is delayed for reasons attributable to the Superficiary and is not concluded for reasons attributable to the Superficiary, even at a new time specified by the Owner and notified at least ten (10) business days in advance, and more than twenty (20) business days have passed since such a new time.
- 14.4. The Owner has the right to withdraw from the Contract prior to the conclusion of the Real Right Contract by giving written notice of this at least three (3) months in advance, also if the Registered Immovable is necessary for the exercise of public authority or for other public purposes and the Owner compensates the Superficiary for any direct material damage related to the Project resulting from the withdrawal.
- 14.5. Unless otherwise separately agreed by the Parties, the Superficiary must, upon the expiry of the Contract, restore the Registered Immovable to the condition it was in prior to the performance of the Preparatory Works, on the basis of the grounds provided for in clauses 14.1 to 14.3 of the Contract, within three (3) months, except for the restoration of the consequences of the felling carried out by the Owner at the request of the Superficiary.
- 14.6. The Owner and the Superficiary have agreed that **the Superficiary has the right to request** from the Owner the (early) termination of the Right of Superficies and

consent to the deletion of the Right of Superficies from the land register, by notifying the Owner of this in writing at least thirty (30) days in advance if:

- 14.6.1. the Owner is in a fundamental breach of the Contract and this considerably restricts or impedes the possibility of exercising the Right of Superficies and the Owner has not resolved the breach within a term of 30 days granted by the Superficiary; in such a case, the Owner undertakes to compensate the Superficiary for the direct material damage related to the breach of the Contract and the termination of the Right of Superficies;
- 14.6.2. the Right of Superficies has not been entered in the land register within three (3) months of the date of the conclusion of the Real Right Contract;
- 14.6.3. the Superficiary wishes to withdraw from the Project prior to the Commissioning Date.
- 14.7. The Owner and the Superficiary have agreed that **the Superficiary has the right to request** from the Owner the (early) termination of the Right of Superficies and consent to the deletion of the Right of Superficies from the land register, by notifying the Owner of this in writing at least 12 months in advance if the Superficiary wishes to stop using the Right of Superficies after the Commissioning Date.
- 14.8. The Owner and the Superficiary have agreed that **the Owner has the right to request** from the Superficiary the (early) termination of the Right of Superficies and consent to the deletion of the Right of Superficies from the land register, by notifying the Superficiary of this in writing at least 12 months in advance, if the object of the contract is needed for the exercise of state power or for other public purposes (RVS § 20 (2)). In such a case, the Owner undertakes to compensate the Superficiary for any direct material damage related to the termination.
- 14.9. In the cases provided for in clauses 14.6 to 14.8 of the Contract, the Parties shall conclude a notarially authenticated agreement on the termination of the Right of Superficies no later than 20 days after the withdrawal takes effect, and request the deletion of the entry of the Right of Superficies from the land register. The Superficiary's obligation to pay the Superficies Charge ends with the submission of a notarially authenticated application for registration in the form required for the deletion of the right of superficies from the land register.
- 14.10. In the event of termination of the right of superficies on any of the grounds set out in clause 14 of the Contract, the Parties shall not pay any compensation to each other (except in the case specified in clauses 14.4, 14.6.1 and 14.8 of the Contract). The aforementioned does not affect the Superficiary's obligation to pay the Superficies Charge and late interest calculated on them (if applicable) which have become chargeable until the deletion of the Right of Superficies. For the sake of clarity, the calculation of the late interest shall continue after the deletion until the obligation is duly performed at the rate specified in this Contract. For the sake of clarity, the foregoing does not restrict or exclude the right of the Superficiary to refuse the payment of the Superficies Charge pursuant to subsection 110 (1) of the Law of Obligations Act, to reduce the claim for the Superficies Charge pursuant to subsection 112 (1) of the Law of Obligation Act and to set off the Superficies Charge against the claim for compensation for damage caused by the Owner (e.g. in the case provided for in clause 14.6.1 of the Contract, whereas the Superficiary may also be

deemed to be prejudiced by the payment of the Superficies Charge in a situation where the use of the Right of Superficies is excluded or limited due to a breach by the Owner).

## **15. LIABILITY AND PARTY'S RIGHT TO CLAIM CONTRACTUAL PENALTY**

- 15.1.** In the case of a breach of the Contract (other than a breach caused by gross negligence or an intentional breach), the Party shall be liable only for direct material damage. The Parties represent and warrant that the Preparatory Works do not constitute a sufficient basis for claiming loss of profit within the meaning of subsection 128 (4) of the Law of Obligations Act.
- 15.2.** In the event of a breach of a Party's obligation under the Contract or the Right of Superficies, which is not the basis for forfeiture of the Right of Superficies to the owner, a Party has the right to demand from the Party in breach a contractual penalty of up to €500 per day until the breach is terminated.
- 15.3.** If the unlawful actions of the Superficiary cause damage to third parties, in connection with which claims are made against the Owner, the Superficiary is obliged to take over the defence of the Owner against the claim made and to indemnify the Owner immediately and in full for all financial obligations arising from such claims.
- 15.4.** If the Superficiary's unlawful activity causes damage to third parties, the Superficiary must compensate for the damage.
- 15.5.** The Owner and the Superficiary agree that in the event of a breach of the obligation to obtain prior consent of the Owner specified in clause 5.8 of the Contract, the Owner has the right to claim a contractual penalty from the Superficiary in the amount of €100,000.
- 15.6.** The Owner and the Superficiary agree that in the event of a breach of the obligations specified in clauses 8.1 or 8.3 of the Contract, the other Party has the right to claim a contractual penalty from the breaching Party in the amount of €100,000.
- 15.7.** The Owner and the Superficiary agree that in the event of a breach of the obligation specified in clause 9.1 of the Contract, the Owner also has the right to claim a contractual penalty from the Superficiary in the amount of €500 per day until the performance of the obligation.
- 15.8.** The Owner and the Superficiary agree that if the entry into the Real Right Contract is delayed due to reasons attributable to a Party and the Real Right Contract will not be entered into due to reasons attributable to a Party also at the new time set by the other Party and notified to the first Party at least 10 business days in advance, the Party in breach shall pay the other Party a contractual penalty in the amount of €500 per each day of delay in the entry into the Real Right Contract. The calculation of the contractual penalty shall start from the new time specified by the other Party and notified to the breaching Party in accordance with the previous sentence.

- 15.9.** The Owner and the Superficiary agree that the Owner has the right to claim a contractual penalty from the Superficiary in the amount of up to 1% of the Superficies Charge per each day if:
- 15.9.1.** the Commissioning Date has not arrived by the due date specified in clause 5.3 of the Contract, nor has it arrived within the additional 3-month deadline granted by the Owner (i.e. from the expiry of the said additional deadline), unless the Commissioning Date has not arrived due to an unlawful delay on the part of the state or local authority in the processing of the request for the issue of the permit or the design specifications required for the arrival of the Commissioning Date submitted by the Superficiary;
  - 15.9.2.** the Superficiary does not have the valid Activity Licence or Operation Authorisation as required by law, provided that the Activity Licence or Operation Authorisation granted to the Superficiary is revoked at the request of the Superficiary and the Superficiary fails to submit an application for a new Activity Licence or Operation Authorisation within one (1) month of the revocation of the relevant licence or authorisation;
  - 15.9.3.** the Superficiary does not have the valid Activity Licence or Operation Authorisation as required by law, provided that the respective Activity Licence or Operation Authorisation became invalid due to the expiry of its term and the Superficiary fails to submit a request for a new respective licence or authorisation or for the extension of the previously issued licence or authorisation no later than within one (1) month of the expiry of the respective licence or authorisation;
  - 15.9.4.** the Superficiary does not have the valid Activity Licence or Operation Authorisation as required by law, provided that the Activity Licence or Operation Authorisation granted to the Superficiary is revoked at the initiative of a competent authority and the Superficiary does not contest the administrative act revoking the respective licence or authorisation within the deadline provided for by law and fails to submit a request for the issue of a new permit or authorisation within three (3) months at the latest;
  - 15.9.5.** the Superficiary does not have the valid Activity Licence or Operation Authorisation as required by law, provided that the Activity Licence or Operation Authorisation granted to the Superficiary has been revoked at the initiative of a competent authority and the administrative act revoking the respective licence or authorisation has been left in force with an enforced court ruling and no new respective licence or authorisation has been issued to the Superficiary no later than within six (6) months of the entry into force of the respective court ruling. The amount of the contractual penalty provided for in this clause shall be calculated from the day following the entry into force of the relevant court ruling;
  - 15.9.6.** if the Superficiary constructs construction works on the Area of the Right of Superficies in contravention of the Plan or the Design Specifications and has not ceased the breached within the additional 30-day period granted by the Owner (from the expiry of the additional deadline). For the sake of clarity, there shall be no basis for a claim for a contractual penalty under this subsection if the Superficiary builds construction works of an ancillary nature to the purpose of the

Project in the Area of the Right of Superficies that do not adversely affect the Owner's rights.

**15.10.** The Parties shall not consider any of the events set forth in the subclauses of clause 15.9 of the Agreement to constitute a material breach by the Superficiary that would entitle the Owner to claim reversion of the Right of Superficies to the Owner, to terminate the Contract or to terminate the Contract unilaterally on any other grounds.

## **16. CONTRACT UNDER THE LAW OF OBLIGATIONS FOR ESTABLISHMENT OF REAL SERVITUDES**

**16.1.** The Owner and the Superficiary agree to encumber Servient Immovable 1 (*hereinafter referred to as the Servient Immovable*) with a real servitude with a term that ends at the expiry of the Right of Superficies to the extent of the road located on Servient Immovable 1 and its protection zone (road servitude) in the benefit for the actual owner of the Right of Superficies (*hereinafter the Dominant Immovable*).

**16.2.** The Owner and the Superficiary agree to encumber Servient Immovable 2 (*hereinafter referred to as the Servient Immovable*) with a real servitude with a term that ends at the expiry of the Right of Superficies to the extent of the road located on Servient Immovable 1 and its protection zone (road servitude) in the benefit for the actual owner of the Right of Superficies (*hereinafter the Dominant Immovable*).

**16.3.** The Owner and the Superficiary agree to encumber Servient Immovable 3 (*hereinafter referred to as the Servient Immovable*) with a real servitude with a term that ends at the expiry of the Right of Superficies to the extent of the road located on Servient Immovable 1 and its protection zone (road servitude) in the benefit for the actual owner of the Right of Superficies (*hereinafter the Dominant Immovable*).

**16.4.** The servitude is subject to a fee. The actual owner of the Dominant Immovable must pay a fee for the encumbrance of the servient immovable (*hereinafter referred to as the Fee*) in accordance with the State Assets Act and in accordance with the invoice issued by the owner of the servient immovable prepared in the first month of each subsequent calendar year. The invoice will be sent to the email address of the owner of the Dominant Immovable.

**16.5.** In the event of non-payment of the Fee by the due date, the owner of the servient immovable has the right to claim interest at the statutory rate for each day of delay in payment until the amount is paid in full.

**16.6.** The actual owner of the Right of Superficies and the immediate possessor of the Right of Superficies, as well as all other persons associated with the Superficiary who require access to the Right of Superficies, shall have the right to use the servitude area as an access to and exit from the Right of Superficies on a 24-hour basis by all types of motor vehicles and on foot, subject to traffic regulations.

**16.7.** The servitude area will remain in the joint use of both the servient immovable and the owners of the dominant immovable.

**16.8.** **The owner of the dominant immovable must** use the servitude area in a prudent manner and in accordance with its intended purpose and to compensate for any

damage caused to the road(s) at the first request (except for normal wear and tear of the road, which will not be compensated for) and, upon termination of the servitude, to submit a proper request for deletion of the servitude from the land register.

- 16.9.** The owner of the servient immovable must build at its own expense a road and access facilities (hereinafter *the Facilities*) on the servient immovable, to refrain from any activity that impedes the proper use of the servient immovable and, when encumbering the servient immovable with other servitudes, to inform the persons for whose benefit the estate is encumbered of the terms of the servitude granted under this Contract.
- 16.10.** No preliminary notations are made in the land register to guarantee the establishment of the servitudes.
- 16.11.** The real right contracts for establishment of the servitudes will be entered into when the Real Right Contract is entered into. The Parties have agreed that before the Real Right Contract is entered into, the Owner must determine the area of use of the plots of land related to the real servitudes in the Spatial Information System for Restricted Rights in the Land Cadastre (PARI) and to submit the spatial data identifiers of the areas of the respective servitudes to the notary who attests to the Real Right Contract.
- 16.12.** The owner of the servient immovable and the owner of the Dominant Immovable have the right to unilaterally withdraw from the contract for establishment of the servitude under the law of obligations in the event of withdrawal from the Real Right Contract.
- 16.13.** Upon withdrawal from a contract under the law of obligations for establishment of the servitudes, neither of the parties shall require from the other party any compensation for costs incurred in the performance of its obligations arising from the contract under the law of obligations.

## 17. COMMUNICATION OF NOTICES

- 17.1.** All notices and declarations of intention to be given under the Contract or the Real Right Contract to the other Party must be given in writing or in a format which can be reproduced in writing (including by email) using the contact details provided in the Contract or duly notified after entry into the Contract, unless the Contract or the Real Right Contract prescribes a specific form requirement. Notices having legal effect must be given in writing.
- 17.2.** The contact details of the parties at the moment of entry into the Contract are as follows:

Owner	Superficiary
The Republic of Estonia, acting through the Ministry of Defence as the body authorised to manage state assets	ARCA Baltics Operations OÜ
Contact person: Ivar Kaldasaun	Contact person: Büşra Özen
Address: Järve 34a, Tallinn	Address: Mõisa street 4, Tallinn

Tel: +372 717 0400	Tel: +90 50 1097 4614
Email: ivar.kaldasaun@rkik.ee	Email: arca.baltic@arcadefense.com.tr

- 17.3.** A notice given under the Contract or the Real Right Contract is deemed delivered (i) if it has been sent to the address set out in this Contract or the Real Right Contract by registered letter and the respective letter has been issued to the recipient or five (5) days in the case of a local letter or fifteen (15) days in the case of an international letter have passed from posting the notice (irrespective of whether or not the addressee has collected the postal item), or (ii) if it has been sent by a courier to the address set out in the Contract and has been received against signature by a person who stays at the address (irrespective of the powers of this person), or (iii) if sent by email, the notice is deemed delivered from the day after the delivery of the notice to the recipient's server (which may also be confirmed by an automatic confirmation given by the server).
- 17.4.** A Party is required to notify the other Party immediately of any changes in their contact details. Until new contact details are communicated, any notices and declarations of intention sent using the former contact details of the Party are considered as duly given.

## **18. CONFIDENTIALITY OBLIGATION**

- 18.1.** During the validity of the Contract and the Real Right Contract, and within ten (10) years after the expiry of the Contract and the deletion of the Right of Superficies from the land register, the Parties undertake to keep confidential the circumstances related to the conclusion and performance of the Contract and the information received from the other Party in the maintenance of whose confidentiality the Party that provided the information has an interest that is reasonably recognised by the other Party.
- 18.2.** Confidential information may still be disclosed without the other Party's consent if the information is already public or the disclosure of the information is required on the basis of law. The disclosure of confidential information to the Party's auditor, provider of finance or legal counsellor is not deemed a breach of the duty of confidentiality if the disclosing Party also ensures that the aforementioned people meet the duty of confidentiality.
- 18.3.** This clause 18 does not govern the disclosure of state secrets or other restricted information that is directly governed by the relevant legislation.

## **19. EXPLANATIONS PROVIDED BY THE PERSON WHO ATTESTS TO THE NOTARIAL INSTRUMENT**

- 19.1. Real Right Contract.** In addition to this Contract, after the arrival of the agreed terms and conditions, it is necessary for the Parties to enter into a notarised real right contract in order to establish the right of superficies for the benefit of the superfiary, and the superfiary becomes the owner of the right of superficies when the corresponding entry is made in the land register.
- 19.2. Preliminary notation.** In order to secure the claim for the establishment of the

right of superficies arising from this Contract, it would be possible to enter a preliminary notation for the benefit of the Superficiary in the land register. The disposal of a real right after the entry of a notation in the land register would be void to the extent that this prejudices or restricts a claim secured by the notation. Despite that, the Parties wish to enter into the contract on the terms and conditions set forth herein.

- 19.3. Definition and extent of right of superficies.** An immovable may be encumbered such that the person for whose benefit a right of superficies is established has a transferable and inheritable right for a specified term to own a construction work permanently attached to the immovable. Only one right of superficies may be established on one immovable. In addition to the land under a construction work, the right of superficies extends to the part of the immovable necessary for use of the construction work. The extent of a right of superficies is not confined to one part of the construction work, such as a storey. The provisions concerning immovables apply to a right of superficies unless otherwise provided by law. A construction work that is constructed on the basis of a right of superficies or exists at the time of its establishment and to which the right of superficies extends is an essential part of the right of superficies (§ 241 of the Law of Property Act).
- 19.4. Reversion of right of superficies.** If a superficiary has not erected the required construction work within the term set upon the establishment of the right of superficies or if the superficiary materially breaches contractual obligations thereof, the owner of the immovable has the right to demand that the superficiary consent to entry of the right of superficies in the name of the owner (reversion). The right of an owner to demand entry of a right of superficies in the name of the owner is not separate from the immovable. Instead of demanding entry of the right of superficies in the name of the Owner, the Owner may demand transfer of the right of superficies to a person designated by the Owner. The limitation period of the claim specified in subsection 244<sup>1</sup> (1) of the Law of Property Act expires six months after the date the Owner of the immovable became aware of the existence of the relevant prerequisite, however, no later than two years after the creation of the claim (§ 244<sup>1</sup> of the Law of Property Act).
- 19.5. Compensation for right of superficies.** Upon reversion of a right of superficies, the Owner must pay compensation to the Superficiary. The content of the right of superficies may be an agreement concerning the amount of compensation and method of payment or preclusion of compensation (§ 244<sup>2</sup> of the Law of Property Act).
- 19.6. Preservation of encumbrance.** Upon reversion of the right of superficies, a mortgage and real encumbrance that does not belong to the Superficiary and other restricted real rights that encumber an immovable also encumbered by the right of superficies are preserved. Other real rights encumbering the right of superficies become invalid (§ 244<sup>3</sup> of the Law of Property Act).
- 19.7.** If one and the same person becomes the owner of the right of superficies and the plot of land, the right of superficies is deleted from the land register on the basis of the application of the owner. Until deletion of the entry, the right of superficies continues as a real right unless the owner submits an application for the deletion of the right of superficies (§ 245 of the Law of Property Act).

- 19.8.** A right of superficies does not extinguish by destruction of the construction (§ 246 of the Law of Property Act).
- 19.9. Exercise of rights of Superficiary.** The Superficiary may not breach the rights of the Owner of the encumbered immovable in the exercise of the Superficiary's rights. The Superficiary must ensure the preservation of the construction work unless otherwise agreed by the Superficiary and the Owner of the immovable (§ 247 of the Law of Property Act).
- 19.10. Prohibition of restriction of right of superficies.** A right of superficies may not be restricted by conditions contrary to the nature of the right. A right of superficies cannot be established with a resolutive condition. Any agreement whereby the extinguishment of a right of superficies is bound to a resolutive condition is void (§ 248 of the Law of Property Act).
- 19.11. Disposal of right of superficies.** The Superficiary has the right to transfer a right of superficies or to encumber it with real security, a servitude, a real encumbrance or a right of pre-emption. A right of superficies may not be encumbered with another right of superficies. The consent of the Owner is required for transfer of a right of superficies if such condition is entered in the land register. The Owner may also establish that, as a condition for the granting of consent, all agreements under the law of obligations entered into between the Owner and the Superficiary are assumed by the acquirer of the right of superficies. The consent of the owner is required for encumbering a right of superficies with a real right if such condition has been entered in the land register (§ 249 of the Law of Property Act).
- 19.12. Granting consent.** If in the event provided for in subsection 249 (1<sup>1</sup>) of the Law of Property Act it may be presumed that the objective sought by the establishment of the right of superficies is not essentially changed or endangered and that the acquirer ensures proper performance of the obligations arising from the content of the right of superficies, the superficiesary may demand that the owner grant consent for the transfer of the right of superficies. If in the case provided for in subsection 249 (2) of the Law of Property Act it may be presumed that the encumbrance may be integrated with regular management and that the objective sought by the constitution of the right of superficies is not essentially changed or endangered, the Superficiary may demand that the Owner grant consent for the encumbrance of the right of superficies (§ 249<sup>1</sup> of the Law of Property Act).
- 19.13. Ranking of right of superficies.** A right of superficies may only be constituted with a first ranking in the land register. Other real rights or notations cannot have the same ranking as a right of superficies (§ 250 of the Law of Property Act).
- 19.14. Term of right of superficies.** A right of superficies may only be established for a certain term but for no more than 99 years. If the term is unspecified or exceeds 99 years, the term is deemed to be 99 years. Upon expiry of the term, the Owner and Superficiary of an immovable may extend the right of superficies by agreement but for no more than 99 years. Extension of the right of superficies must be entered in the land register (§ 251 of the Law of Property Act).
- 19.15. Termination of right of superficies by agreement.** Consent of the Owner of the immovable is required for termination of a right of superficies. Consent is given to the Land Registry Department or the holder of the right of superficies (Superficiary). Consent cannot be withdrawn (§ 244 of the Law of Property Act).

- 19.16. Fate of construction upon end of term of right of superficies.** The Superficiary has the right to remove the Superficiary's construction work within one year before the due date of the right of superficies unless the Owner of the immovable uses the right specified in subsection (3) of this section. If the Owner of the immovable presents a demand for removal no later than four months before the end of term, the Superficiary is required to do so. A construction work that is not removed by the end of the term becomes an essential part of the immovable and transfers into the ownership of the Owner of the immovable. If the Owner of the immovable presents a demand for removal in time, the Owner of the immovable may demand payment for removal of the construction work from the Superficiary if the Owner of the immovable removes it within one year after the end of the term. The owner of an immovable has the right to demand, no later than one year before the due date, that the construction work be left to the owner of the immovable for payment equal to the damage arising to the superficiesary from the loss of the right of removal specified in subsection 252 (1) of the Law of Property Act. The provisions of subsections 252 (1) to (3) of the Law of Property Act are valid insofar as the entry in the land register does not specify otherwise (§ 252 of the Law of Property Act).
- 19.17. Compensation upon end of term of right of superficies.** Upon expiry of the term of the right of superficies, the Owner of the immovable must pay the Superficiary compensation for the construction work that remains on the immovable. Upon establishment of a right of superficies, an agreement may be made concerning the amount of compensation and method of payment or preclusion of compensation.
- 19.18. Payment for right of superficies.** The Superficiary makes a payment for the right of superficies to the Owner of the immovable, unless otherwise agreed. The payment for a right of superficies is made according to an agreement in money or other fungible things, such that upon the establishment of the right of superficies, the amount of payment or the bases for calculation of the amount of payment may be specified in advance for the whole term of the right of superficies. A change in the amount of the fee payable for a right of superficies according to changing conditions may be agreed to upon establishment of the right of superficies if the time and extent of change of the conditions can be determined. The obligation to pay for a right of superficies may be entered in the land register as a real encumbrance. The consent of the lower ranking owners in the land register is required for the change of a real encumbrance established to secure the payment for the right of superficies due to a change in the amount of the payment for the right of superficies in accordance with subsection 254 (3) of the Law of Property Act only if the increase in the fee significantly exceeds the change in the conditions. In regard to the payment for the Right of Superficies, it may be agreed that: 1) unlike the provisions of subsection 158 (3) of the Code of Enforcement Procedure, the real encumbrance established to secure the payment is preserved if the owner on the basis of a real encumbrance or another person with a restricted real right of a higher or same ranking claims payment for the right of superficies; 2) the actual superficiesary has the right with regard to the actual owner of the real encumbrance to encumber the right of superficies with a mortgage of a determined extent of the same or higher ranking. If a right of superficies is encumbered with a restricted real right of the same ranking with the real encumbrance established to secure the payment for the right of

superficies, the consent of the person for whose benefit the restricted real right is established is required for entry in the land register of the mortgage specified in clause (4<sup>2</sup>) 2) of this section (subsection 245 (1) of the Law of Property Act).

**19.19. Taxes and encumbrances.** All taxes incumbent on a plot of land encumbered with a right of superficies are paid and real encumbrances in public law are borne by the Superficiary, unless otherwise agreed (§ 255 of the Law of Property Act).

**19.20. Land tax liability** is created on 1 January of the current year, and a tax notice shall be issued to a person who as of 1 January is the owner of the immovable or the superficies according to the data in the land register. Land tax of up to EUR 100 on land located in the territory of any local authority is paid by 31 March. In the event of land tax exceeding €100, at least one-half, but no less than €100, is paid by 31 March. The remaining part of the land tax is paid no later than by 1 October. The remaining part of the land tax is paid no later than by 1 October (subsections 7 (1) and 8 (1) of the Land Tax Act).

**19.21. Agreements included in content of right of superficies.** Agreements under law of obligations. In addition to the above agreements to be entered in the land register as the content of the right of superficies (including, but not limited to, the requirement to obtain the consent of the owner of the registered immovable for the transfer or encumbrance of the right of superficies, an agreement for extending the term of the right of superficies, etc.), agreements can also be made and entered in the land register with respect to the following in accordance with § 255<sup>1</sup> of the Law of Property Act: 1) the erection, maintenance and use of a construction work; 2) the insurance of a construction work and its reconstruction in the event of its destruction; 3) the obligation of the superficiesary to pay contractual penalties; 4) the obligation of the superficiesary to transfer, upon the arrival of a corresponding prerequisite, the right of superficies to the owner; 5) the compensation to be paid to the superficiesary for the construction work upon the extinguishment of the right of superficies or upon the reversion of the right of superficies; 6) the bearing of encumbrances in public law and private law and payment of taxes; 7) the grant of preferential right to the superficiesary to renew the right of superficies after its extinguishment; 8) the obligation of the owner of the immovable to sell the immovable to its actual superficiesary.

**19.22. Agreements under the law of property and the law of obligations.** Only agreements where the Parties may deviate from the content of the right of superficies provided by law according to Part 6 ('Right of Superficies') of the Law of Property Act may be entered in the land register as the content of the right of superficies. Agreements that have been entered in the land register as the content of the right of superficies directly or as a reference to the contract have a real right effect and are valid with regard to the actual owner and actual superficiesary of the registered immovable encumbered with the right of superficies. Agreements that have not been entered or cannot be entered in the land register as the content of the right of superficies only apply to the persons who entered into such agreements and do not apply to the actual owner and actual superficiesary of the registered immovable. Agreements under the law of obligations that are included in the Contract transfer to the acquirer of the registered immovable and/or the right of superficies only if the transferor and acquirer have agreed thereon. Regardless of the explanations of the

person who attests to the notarial instrument, the Parties wish to enter into the Contract under the terms and conditions set out therein and do not wish to add any other provisions specifying the content of the right of superficies to the Contract.

**19.23. Real encumbrance.** Pursuant to § 229 of the Law of Property Act, an immovable may be encumbered in such a way that the actual owner of the right of superficies must pay periodic payments in money to the owner of the registered immovable encumbered with the right of superficies.

**19.24.** The Parties would be able to encumber the registered immovable with a right of pre-emption for the benefit of the actual owner of the right of superficies established under the Contract and vice versa. Regardless of the explanations of the person who attests to the notarial instrument, the Parties wish to enter into the Contract under the terms and conditions set out therein.

**19.25. Protection zone of construction.** The protection zone of a construction work is the land underneath and around the construction work within which the Owner of the immovable is required to tolerate the presence of a construction work belonging to another and within which the use of and operations on the immovable are restricted for the purposes of safety and of ensuring the functionality of such a construction work. In the protection zone, it is prohibited: 1) to endanger the construction work or any use of the construction work that follows established rules; 2) to build another construction work that requires a building permit, including to remove and heap soil; 3) to obstruct access to the construction work; 4) to obstruct maintenance of the construction work, including the installation of signs to alert the observer to the location of the construction work that enjoys the protection zone or to the danger posed by such a construction work; 5) to obstruct preservation of the plant life or soil within the protection zone in a condition that does not endanger the construction work; 6) to pursue any other activities provided for by law. The restrictions of the protection zone may be derogated from with the consent of the owner of the construction work that enjoys the protection zone, provided that this does not reduce the safety of the construction work. The owner of the construction works to which the protection zone applies may not charge a fee for granting their consent or demand the establishment of additional restrictions that are not related to safety. The owner of the construction works to which the protection zone applies may not refuse to grant their consent without a valid reason. The owner of the construction works to which the protection zone applies has the right to demand that any person carrying out operations within the protection zone act under their immediate supervision. The owner of the construction works to which the protection zone applies shall provide information regarding the location of the construction works free of charge to the owner and lawful user of the immovable. The owner of a construction work that enjoys a protection zone must: 1) act in a manner that entails the least possible infringement of the rights of the owner of the immovable; 2) when exercising their rights, take into consideration the legitimate interests of the owner of the immovable, including give reasonable advance notice to the landowner of any building work or repair work before commencing such work; 3) ensure the preservation of the immovable in good condition during any maintenance work performed on the construction work that enjoys a protection zone and, once the maintenance work has been completed, restore the immovable to its former condition, except where

restoration to the former condition would contravene the restrictions valid in the protection zone. If several construction works that enjoy a protection zone are built on the same immovable, the greatest possible spatial overlap of the protection zones and the least possible encumbrance of the immovable must be preferred where this is possible. It is presumed that a construction works to which a protection zone applies may be built within the protection zone of other construction works to which a protection zone applies. The information concerning the existence of a protection zone and its content and spatial extent is entered in the land cadastre. The information to be entered in the land cadastre is provided by the owner of the construction work that enjoys the protection zone. If, after the building of a new construction work or after changing the location of an already existing construction work the application for entering the information concerning the protection zone in the Land Cadastre has not been submitted to the Land Cadastre within 30 days following the completion of the building of the construction work or following its relocation, the obligation to tolerate the construction work does not arise and the owner of the registered immovable is entitled to demand the removal of the construction work from the registered immovable. (8) The Minister in charge of the policy sector approves, by regulation, the extent of protection zones, their protection and marking out and the recommendations for carrying out operations within protection zones (§ 70 of the Building Code).

- 19.26. Activity licence.** For activities related to military weapons, weapon systems, military weapon ammunition and ammunition. According to section § 83<sup>33</sup> par 1 p 1 and p 6 of the Weapons Act, an activity license is required among other things, for the sale of weapons, firearms, military weapons, their essential parts or ammunition, and for the manufacture of gas sprays, pneumatic weapons, warning and signal weapons, the manufacture and conversion of non-explosive munitions into ammunition or munitions containing explosives. An activity permit for the manufacture of military weapons, weapon systems, their essential parts, military weapon ammunition or munitions also entitles the entrepreneur to sell, transport, maintain and repair self-made military weapons, weapon systems or their essential parts, and to sell and transport ammunition or munitions for self-made military weapons.
- 19.27.** Pursuant to subsection 12 (1) of the Explosives Act, an explosive and a pyrotechnic article may only be handled on the basis of an activity licence and pursuant to subsection (5) of the same section, an activity licence need not be held by a person who wishes to use an explosive or a pyrotechnic article in Estonia temporarily and who holds an activity licence issued by another European Union Member State or EEA State (hereinafter together Member State). Such a person is required to notify the Consumer Protection and Technical Regulatory Authority at least ten working days prior to the commencement of the use of the explosive or pyrotechnic article in Estonia and while operating in Estonia adhere to the requirements established for the use of an explosive and a pyrotechnic article.
- 19.28.** Pursuant to clauses 12 (2) 6) and 7) of the Explosives Act, an activity licence under subsection 12 (1) of the Explosives Act need not be held upon the storage, transfer and use of ammunition and propellant in quantities and on the conditions permitted by the Weapons Act and legislation established on the basis thereof by a

person who holds an activity licence conforming to the Weapons Act or by a person handling explosives if the person has an activity licence under the Weapons Act for the manufacture of ammunition for military weapons or munitions and the requirements in the object of control of the activity licence of the Explosives Act are covered in the licencing procedure.

**19.29.** A **use and occupancy permit** is issued if the construction of the completed building complied with the building permit and the building can be used in accordance with the requirements and the purpose of use. The use and occupancy permit determines or changes the purpose of use of the building. Use and occupancy without a use and occupancy permit may be punishable by a fine (§§ 50 and 139 of the Building Code).

**19.30. Construction right of plot.** Pursuant to subsections 26<sup>1</sup> (1) and (2) of the Building Code, if there is a national designated spatial plan, a preliminary selection of the location is required for the preparation of the construction design for the construction works to be built on the basis of the national designated spatial plan. The granting of these design specifications shall be based on clauses 26 (3) 2) and 4) of the Building Code and shall specify the conditions specified in subsection (4).

**19.31.** Pursuant to clauses 26 (3) 2) and 4) of the Building Code, when issuing design specifications, consideration must be given to the avoidance of breaches of legislation or harm to the rights of persons or to the public interest and the special conditions of heritage conservation if these are required pursuant to the Heritage Conservation Act.

**19.32.** Pursuant to subsection 26 (4) of the Building Code, with regard to the building or significant civil engineering work, the design specifications establish, where relevant:

- 1) its purpose of use;
- 2) the maximum number permitted to be built in a land area;
- 3) its location;
- 4) the maximum ground projection area that the building or significant civil engineering work may occupy;
- 5) its height and, where relevant, depth;
- 6) the requirements concerning architectural solution, building work and appearance;
- 7) the possible location of the construction work required to service the construction works situated in the land or water area;
- 8) the need for site investigations;
- 9) the principles for planting vegetation, for streetside maintenance and for traffic arrangements.
- 10) the demolition deadline.

**19.33.** Subsection 27<sup>1</sup> (2<sup>1</sup>) of the Planning Act stipulates that when dispensing with the preparation of a detailed solution in situations provided for by subsections 27<sup>1</sup> (1) and (2), the land use and building conditions are determined and other relevant tasks mentioned in subsection 126 (1) of the Planning Act are completed at the stage of pre-selecting the location for the national designated spatial plan. Relevance is assessed based on the purpose of the plan and the nature of the construction work it envisages. The pre-selection stage involves the resolution of the relevant tasks set out in subsection 126 (1) of the Planning Act, which are usually resolved by a detailed

spatial plan (e.g. subdivision of the planning area into plots, determination of building rights, etc.). A detailed solution can be waived if a suitable location for a building of high national interest has been found and sufficient information is available at an early stage of planning to issue the design specifications. This implies that a sufficient number of relevant studies have been carried out as part of the pre-selection of the location to allow the conclusion that the area identified does not conflict in particular with human settlements, technical infrastructure and the protection of the environment as a whole. In respect of the partial establishment of the national designated spatial plan of the Defence Industry Park for the Pärnu 1 area and the Põhja-Kiviõli area, the grounds for the design specifications determined in the pre-selection of the location are sufficient to determine the exact location of the construction works with the design specifications, also the other conditions specified in subsection 26 (4) of the Building Code.

- 19.34.** Subsection 128 (4) of the Law of Obligations Act specifies that loss of profit is loss of the gain which a person would have been likely to receive in the circumstances, in particular as a result of the preparations made by the person, if the circumstances on which compensation for damage is based would not have occurred.
- 19.35.** A real servitude emerges as of its registration in the land register, not as of the conclusion of this contract, and it ceases to exist as of the deletion of the entry from the land register.
- 19.36.** In addition to this contract, the Parties need to enter into a notarised real rights contract upon the fulfilment of the agreed conditions for the registration of the real servitude established on the basis of clause 12 of the annex to the Contract.
- 19.37.** A real servitude encumbers a servient immovable for the benefit of a dominant immovable such that the actual owner of the dominant immovable is entitled to use the servient immovable in a particular manner or that the actual owner of the servient immovable is required to refrain to a particular extent from the exercise of the owner's right of ownership for the benefit of the dominant immovable.
- 19.38.** A real servitude grants the right to perform only those acts, which, in view of the content of the servitude, are necessary in the interests of the dominant immovable. The real servitude must be exercised in the manner that is the least burdensome for the owner of the servient immovable and upon the transfer of a servient immovable and a dominant immovable, a real servitude will be valid with regard to the new owners to the extent entered in the land register.
- 19.39.** A real servitude may not require the owner of the servient immovable to perform any acts except acts that assist in the exercise of the real servitude.
- 19.40.** § 172 of the Law of Property Act stipulates that a real servitude encumbers a servient immovable for the benefit of a dominant immovable such that the actual owner of the dominant immovable is entitled to use the servient immovable in a particular manner or that the actual owner of the servient immovable is required to refrain to a particular extent from the exercise of the owner's right of ownership for the benefit of the dominant immovable. A real servitude may not require the owner of the servient immovable to perform any acts except acts that assist in the exercise of the real servitude.
- 19.41.** Based on § 176 of the Law of Property Act, failing agreement on termination of a real servitude, the owner of the dominant immovable has the right to demand for

good reason that the owner of the servient immovable consent to the termination of the real servitude provided that the owner of the dominant immovable shall compensate the owner of the servient immovable for any damage arising from termination of the servitude. The owner of the dominant immovable shall notify the owner of the servient immovable of the termination of a real servitude of an unspecified term or of the premature termination of a real servitude of a specified term six months in advance.

- 19.42.** According to § 177 of the Law of Property Act, if the benefit receivable from a real servitude is unreasonably small in comparison to the encumbrance of the servient immovable, the owner of the servient immovable has the right to demand that the owner of the dominant immovable consent to the termination of the real servitude provided that the owner of the servient immovable shall compensate the owner of the dominant immovable for any damage arising from termination of the servitude. If the owner of a dominant immovable has lost interest in exercising the rights arising from a real servitude, the owner of the servient immovable has the right to demand that the owner of the dominant immovable consent to the termination of the real servitude. A loss of interest is presumed if the owner of the dominant immovable has not exercised the real servitude for 10 years or if the owner has allowed the use of the servient immovable in a manner that is contrary to the real servitude during the same period.
- 19.43.** In accordance with § 178 of the Law of Property Act, a real servitude grants the right to perform only those acts which in view of the content of the servitude are necessary in the interests of the dominant immovable. The content of a real servitude shall be determined by agreement of the parties unless otherwise provided by law. A real servitude shall be exercised in the manner that is least cumbersome to the servient immovable. An increase in the needs of the dominant immovable does not in itself increase the encumbrance incumbent on the servient immovable.
- 19.44.** Pursuant to § 180 of the Law of Property Act, the owner of a servient immovable has the right to demand a change in the manner of exercise of the real servitude at the expense of the owner if the change in the manner of exercise may also achieve the current economic purpose of the real servitude and if the current manner of exercise as compared to the new manner is considerably more prejudicial to the interests of the owner of the servient immovable. The expenses related to the change in the manner of exercise of a servitude shall be paid by the owner of the servient immovable in advance.
- 19.45.** Pursuant to § 181 of the Law of Property Act, if the exercise of a real servitude is confined to the use of one part of the servient immovable and some other part is as suitable for such use, and the exercise of the real servitude on the current part as compared to some other part is considerably more prejudicial to the owner of the servient immovable, the owner has the right to demand that the real servitude be exercised on the other part of the immovable. The expenses relating to the relocation shall be paid by the owner of the servient immovable in advance.
- 19.46.** In order to avoid any later disputes, the Contract should contain all relevant agreements and understandings. Agreements that are not entered in the land register or with regard to which no notation is made in the land register are agreements under the law of obligations, which are not valid with regard to third parties.

## 20. EXPENSES RELATED TO ENTRY INTO CONTRACT

### 20.1. Notary fees:

Superficiary pays the notary's fee for the notarisation of the contract under the law of obligations for the establishment of the right of superficies (transaction value €6,390,000) and the contract for the establishment of a servitude under the law of obligations (transaction value 3 x €639 = €1,917) is €10,737.14 (transaction value €6,391,278.00: §§ 3, 5, 6, 9(1), 22, 23(2) of the Notary's Fees Act).

The above amounts are subject to value added tax at the rate of 24%. The total amount of the notary fee without VAT is €10737.14, VAT is €2576.91, and the total with VAT is €13314.05.

*e-Notary reference: IS*

**20.2.** In accordance with the foregoing division, a party pays the notary fee in the office of the notary in cash or by a bank card, or by way of bank transfer to the current account of the notary within three (3) business days. In accordance with subsection 38 (2) of the Notary Fees Act, the parties are jointly and severally liable towards the notary for the payment of the notary fee for a notarial act.

The notarial instrument has been drawn up and signed on paper in one original to be retained in the notary's office. A digital copy is available to the parties free of charge at [www.eesti.ee](http://www.eesti.ee) and [www.notar.ee](http://www.notar.ee).

At the request of a party, the party may obtain from the notary's office a certified copy on paper (cost €0.24 per page) or a digital certified copy by e-mail (cost €0.24 per page). Each party pays the notary fee for their copy of the contract.

This notarial deed has been read out to the participant who has sufficient command of the Estonian language in the presence of the certifier of the deed, submitted to them for review prior to approval, and thereafter approved by the participant and signed by hand in the presence of the certifier of the deed. The notarial deed has been translated by the certifier of the deed from Estonian into English for the participant who does not have sufficient command of the Estonian language, submitted to them for review prior to approval, and thereafter approved by the participant and signed by hand in the presence of the certifier of the deed.

The document and plan referred to in and annexed to this notarial deed have been submitted to the participants for review prior to approval, and thereafter approved by the participants and signed by hand in the presence of the certifier of the deed.

This document consists of 77 pages bound with string and an embossing seal.

\_\_\_\_\_ *given name and surname in handwriting*

\_\_\_\_\_ *signature*

*given name and surname*      *in handwriting*

*signature*

*Signature and seal of the person attesting to the notarial instrument*