

LegCo Panel on Transport and Panel on Financial Affairs

Follow-up to joint meeting on 23 May 2006

We have discussed with MTRCL Members' request for more information about the property package and emphasised to MTRCL that we should give LegCo as much information as possible. All the information contained in this reply is given with consent from MTRCL.¹

(a)	Detailed breakdown of individual property development including valuation details, site area, plot ratio, gross floor area for the residential and commercial development, number of flats that could be built, expected completion date, etc.
	<p>MTRCL will pay \$4.91 billion for the rights over the eight property development sites. The amount is for the rights over these sites, being the share of property development profits which the post-merger corporation may realise from co-development of these eight sites with property developer partners.</p> <p>The rights over the foregoing property development sites are valued based on the post-merger corporation's expected share of the assessed development profits for the sites. The development profit from each site is the independently and professionally assessed value of the market sales proceeds after deducting (1) land premium; (2) construction costs; (3) project enabling works costs; (4) tax; and (5) financing costs, professional fees, marketing costs, etc. As the sites are expected to be developed over a number of years, the assessed development profits are discounted to give a present value. Furthermore, the sites will be developed in conjunction with developer partners, hence the assessed development profits will also need to be shared with such partners.</p> <p>The risks of these property developments, including market risk, land premium/construction cost increase risks, etc., will rest with</p>

¹ According to MTRCL, the disclosure of information to its minority shareholders will be discussed with the Hong Kong Stock Exchange nearer the time of the Rail Merger. This discussion will be on the basis of the whole package of information that is to be provided on the Rail Merger transaction.

	<p>MTRCL. Furthermore, the risks will also be affected by the fact that it will take a number of years to fully develop these eight sites and realise any profit.</p> <p>The key information relevant to Government's valuation of these eight sites is set out at Annex A.</p>
(b)	<p>Detailed breakdown of individual investment properties including valuation details, current rents received, gross floor area for the commercial and residential properties, etc.</p>
	<p>The rental income from the eight investment properties in the investment properties portfolio of the Property Package amounted to \$142.6 million for the year ended 31 December 2005 (it should be noted that the Pierhead Plaza was under renovation for 9 months in 2005.) The other details of the eight investment properties are set out at Annex B.</p>
(c)	<p>Detailed breakdown of management businesses and rights relating to properties at the 33 sites including valuation details, gross floor area for the property sites, revenue derived from such businesses, etc</p>
	<p>In addition to the right to manage the eight investment properties noted in (b) above, MTRCL will acquire KCRC's property management business for five existing properties owned by third parties, namely, Pierhead Garden, Sun Tuen Mun Centre, Hanford Garden, Royal Ascot and the Metropolis. The net income earned in 2005 relating to management for these five properties owned by third parties was \$4.5 million. MTRCL will also acquire the initial rights to manage properties to be built along West Rail. Such properties have yet to be constructed and would take a number of years to complete.</p> <p>MTRCL takes on substantial contract renewal risk in assuming KCRC's property management business in respect of the residential properties. The duration of such contracts usually ranges from one to three years, after which the owners of the properties have absolute discretion to appoint another party to manage the property.</p>

	<p>Given that property management operations can be easily assumed by a third party upon contract expiry, there is no assurance that future property management profits will continue to accrue to MTRCL.</p>
(d)	<p>Justifications for including the purchase of KCRC's property management business by MTR Corporation Limited as an integral part of the deal.</p>
	<p>The inclusion of KCRC's property management business as an integral part of the merger transaction is essential in order to ensure the long term sustainability of the connection and integration benefits between railway and property. If rail and property were managed separately, there would be less incentive for the respective parties to align their interests and ensure the optimal integration of the two, thus leading to the loss of connection and integration benefits. For example, essential links between station and properties (such as pedestrian footbridges and subways) may not be constructed or could be poorly managed even if built.</p> <p>Another critical reason for properties above or adjacent to stations to be managed by the rail operator is to secure a safe and efficient environment for rail operation. If the properties above or adjacent to stations are not properly managed, there could be adverse effects on the station such as water ingress or blockage of evacuation routes. In addition, some stations and adjacent property developments share services or access through each other's areas. Such situations require an integrated management approach to ensure smooth operation.</p> <p>In summary, MTRCL, in taking on the property management business, will be best placed to ensure optimal management of both railway and property to the benefit of both sets of users.</p>
(e)	<p>Whether the disposal of KCRC's properties without going through a public tender would be in the best interest of the general public, and whether and how the general public could benefit from the proposed property package, bearing in mind KCRC's assets were owned by Hong Kong people.</p>

	<p>The rail-property model has been creating tremendous value for the people of Hong Kong. An indication of this is at Annex C based on information provided by MTRCL.</p> <p>Government believes that the current proposal regarding the property package is in the best interest of the general public, in that the technical-engineering interface issues could be properly addressed by integrating the construction and operation of railways with the construction and management of the relevant properties, as set out in our answer to (d) above. Our intention is to sell the property package to MTRCL on market terms, and Government's professional property valuation consultant has confirmed that the pricing of the property package is fair and reasonable.</p>
(f)	<p>Whether Government would consider putting out for tender KCRC's properties and using the proceeds for the purpose of subsidizing railway operations and fare reductions, and hence avoiding the disposal of KCRC's assets at a severely diminished value.</p>
	<p>As the property package forms an integral part of the proposed merger, we would not consider putting KCRC's properties up for auction or tender. The proceeds from the property package are intended for servicing KCRC's existing financial obligations and the day-to-day administrative functions after the merger. In any event, it is not Government's policy to subsidise railway operations and fare reductions. We would also reiterate that there is no question of disposal of KCRC's assets at a severely diminished value, as our professional property valuation consultant has adopted a methodology for property valuation which is commonly accepted in the market, and confirmed that the pricing of the property package is fair and reasonable.</p>
(g)	<p>Whether and how the rail merger and the proposed property package could achieve synergy.</p>
	<p>According to MTRCL, synergies of the rail merger will amount to \$450 million per annum, which will take the post-merger corporation a few years to realise. The majority of such synergies will come from the following three areas –</p>

	<ul style="list-style-type: none"> • Transfer of best practice; • Procurement; and • Support functions. <p>As for KCRC's properties, there is synergy in the current model where KCRC is involved in the construction and operation of the railways and also the construction and management of properties. The post-merger corporation could continue to enjoy such synergy through the property package proposal.</p>
(i)	Basis of calculation of the amount of payments for the service concession.
	<p>Under the service concession arrangement, MTRCL has agreed to pay the Government an upfront payment of \$4.25 billion plus fixed annual payments of \$750 million up to 2056. In considering the overall terms and structure of the transaction, the principal consideration was on the evaluation of the future cash flow of the KCR system taking into account the operating costs and commitments on maintenance and renewal of the KCR system during the 50-year concession period. Other factors that have been considered include the risks associated with fluctuations in patronage in respect of the KCR System, future debt obligations of KCRC and affordability of MTRCL while striking an appropriate balance between the interests of the parties involved.</p> <p>The Government would share in the potential out-performance of KCR system above a revenue threshold in form of an "earn-out" structure with variable annual payments being made by the post-merger corporation based on revenues attained by KCRC. This would ensure a fair valuation for Government, if the performance of the KCR system improves.</p>
(j)	Rationale for setting the duration of the concession agreement to 50 years and whether consideration would be given to shortening the concession period to 20 or 30 years, with an option to extend for a further period subject to an interim review.
	<p>Under the service concession arrangement, the post-merger corporation is responsible for carrying out and paying for all maintenance, improvement and replacement of assets. These</p>

would be long-term capital investments, which warrant sufficient time for the corporation to earn a return. During the 50-year concession period, the corporation would need to meet established service standards, and Government would continue to monitor its operation. The 50-year term, which ties in with the franchise period of the post-merger corporation, is therefore appropriate.

If there is an additional requirement of periodic reviews whereby Government or KCRC can unilaterally change the concession conditions or period, the uncertainties to the post-merger corporation would increase, and the deal terms for KCRC and Government would naturally be detrimentally affected. This will not be in the interest of Government or KCRC.

Annex A

Property Development*

(1) Ho Tung Lau	
Location:	Sha Tin Town Lot No. 470 (Adjacent to East Rail Fo Tan Station)
Site Area:	2.67 hectares
Description:	<ul style="list-style-type: none"> • Residential GFA 1,301,368 square feet • Commercial GFA 21,528 square feet • Total GFA 1,322,896 square feet • 1,351 flats • 246 parking spaces
Market sale prices assumed in valuation:	The information is commercially sensitive as the site has already been tendered and construction by a developer is underway.
Additional Information:	<ul style="list-style-type: none"> • Land premium \$1,393.37 million • Land grant document enclosed

(2) Wu Kai Sha Station	
Location:	Sha Tin Town Lot No. 530 (South of Ma On Shan Rail Wu Kai Sha Station)
Site Area:	3.41 hectares
Description:	<ul style="list-style-type: none"> • Residential GFA 1,815,349 square feet • Commercial GFA 32,292 square feet • Kindergarten GFA 10,764 square feet • Total GFA 1,858,405 square feet • 2,528 flats • 362 parking spaces
Market sale prices assumed in valuation:	The information is commercially sensitive as the site has already been tendered and construction by a developer is underway.
Additional Information:	<ul style="list-style-type: none"> • Land premium \$5,391.19 million • Land grant document enclosed

(3) Che Kung Temple Station	
Location:	Lot no. not yet assigned

* Sites Plans of all eight sites enclosed.

	(North of Ma On Shan Rail Che Kung Temple Station)	
Site Area:	1.81 hectares	
Description:	<ul style="list-style-type: none"> • Residential GFA 966,521 square feet • Commercial GFA 2,077 square feet • Kindergarten GFA 7,212 square feet • Total GFA 975,810 square feet • 1,240 flats • 208 parking spaces 	
Market sale prices assumed in valuation:	<ul style="list-style-type: none"> • Residential About \$6,040 per square foot • Commercial About \$6,000 per square foot • Kindergarten About \$1,750 per square foot • Parking spaces About \$300,000 each 	

(4) Tai Wai Maintenance Centre

Location:	To be known as Sha Tin Town Lot No. 529 (South-west of East Rail Tai Wai Station)	
Site Area:	7.06 hectares	
Description:	<ul style="list-style-type: none"> • Residential GFA 3,379,411 square feet • Total GFA 3,379,411 square feet • 4,304 flats • 718 parking spaces 	
Market sale prices assumed in valuation:	The information is commercially sensitive as the site has already been tendered.	

(5) Tai Wai Station

Location:	To be known as Sha Tin Town Lot No. 520 (Adjoining to East Rail Tai Wai Station)	
Site Area:	4.85 hectares	
Description:	<ul style="list-style-type: none"> • Residential GFA 2,050,327 square feet • Commercial GFA 667,368 square feet • Kindergarten GFA 11,948 square feet • Total GFA 2,729,643 square feet • 2,900 flats • 713 parking spaces 	
Market sale prices assumed in valuation:	<ul style="list-style-type: none"> • Residential About \$6,330 per square foot • Commercial About \$7,200 per square foot • Kindergarten About \$1,750 per square foot 	

	<ul style="list-style-type: none"> • Parking spaces 	About \$300,000 each
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(6) & (7) West Kowloon Station (Site C and Site D), Kowloon Southern Link		
Location:	Lot no. not yet assigned (Bounded by (i) Jordan Road, Canton Road and Wui Cheung Road; and (ii) Wui Cheung Road, Canton Road and Austin Road)	
Site Area:	2.09 hectares	
Description:	<ul style="list-style-type: none"> • Residential GFA • Commercial GFA • Total GFA • 321 parking spaces 	1,128,013 square feet 225,603 square feet 1,353,616 square feet
Market sale prices assumed in valuation:	<ul style="list-style-type: none"> • Residential • Commercial • Parking spaces 	About \$9,780 per square foot About \$4,500 per square foot About \$450,000 each
Note:	Preliminary development plan only	

(8) Tin Shui Wai Light Rail Transit Terminus		
Location:	To be known as Tin Shui Wai Town Lot No. 23 (Bounded by Tin Wing Road, Tin Shing Road and Tin Yan Road)	
Site Area:	1.82 hectares	
Description:	<ul style="list-style-type: none"> • Residential GFA • Commercial GFA • Total GFA • 1,600 flats • 267 parking spaces 	980,073 square feet 2,207 square feet 982,280 square feet
Market sale prices assumed in valuation:	<ul style="list-style-type: none"> • Residential • Commercial • Parking spaces 	About \$3,450 per square foot About \$6,000 per square foot About \$220,000 each

Investment Property

(1) Royal Ascot	
Location:	No. 1, Tsun King Road, Shatin
Description:	<ul style="list-style-type: none"> • 20 residential units (GFA 29,964 square feet) • 20 parking spaces

(2) Royal Ascot	
Location:	No. 1, Tsun King Road, Shatin
Description:	<ul style="list-style-type: none"> • Commercial Accommodation + Kindergarten (GFA 107,606 square feet)

(3) Hanford Plaza	
Location:	No. 333, Castle Peak Road, Tuen Mun
Description:	<ul style="list-style-type: none"> • Reserved Commercial Accommodation (GFA 34,415 square feet) • 22 parking spaces

(4) Sun Tuen Mun Shopping Centre and Sun Tuen Mun Centre	
Location:	Nos. 55-65, Lung Mun Road, Tuen Mun
Description:	<ul style="list-style-type: none"> • Reserved Commercial Accommodation + Kindergarten (GFA 170,696 square feet) • 421 parking spaces

(5) Pierhead Garden	
Location:	Nos. 168-236, Wu Chui Road, Tuen Mun
Description:	<ul style="list-style-type: none"> • Commercial Accommodation (GFA 107,117 square feet) • 32 parking spaces

(6) Trackside Villas	
Location:	No. 4105, Tai Po Road, Tai Po Kau, Tai Po.
Description:	<ul style="list-style-type: none"> • 252 residential units (GFA 120,600 square feet) • 60 parking spaces

(7) KCRC Hung Hom Building	
Location:	No. 8, Cheong Wan Road, Hung Hom
Description:	<ul style="list-style-type: none"> • 7 units (GFA 21,096 square feet)

(8) Citylink Plaza	
Location:	No. 1, Sha Tin Station Circuit, Shatin
Description:	<ul style="list-style-type: none">• 7 storeys, including the Retail Floor and 1/F to 6/F (GFA 170,431 square feet)

Rail and Property model

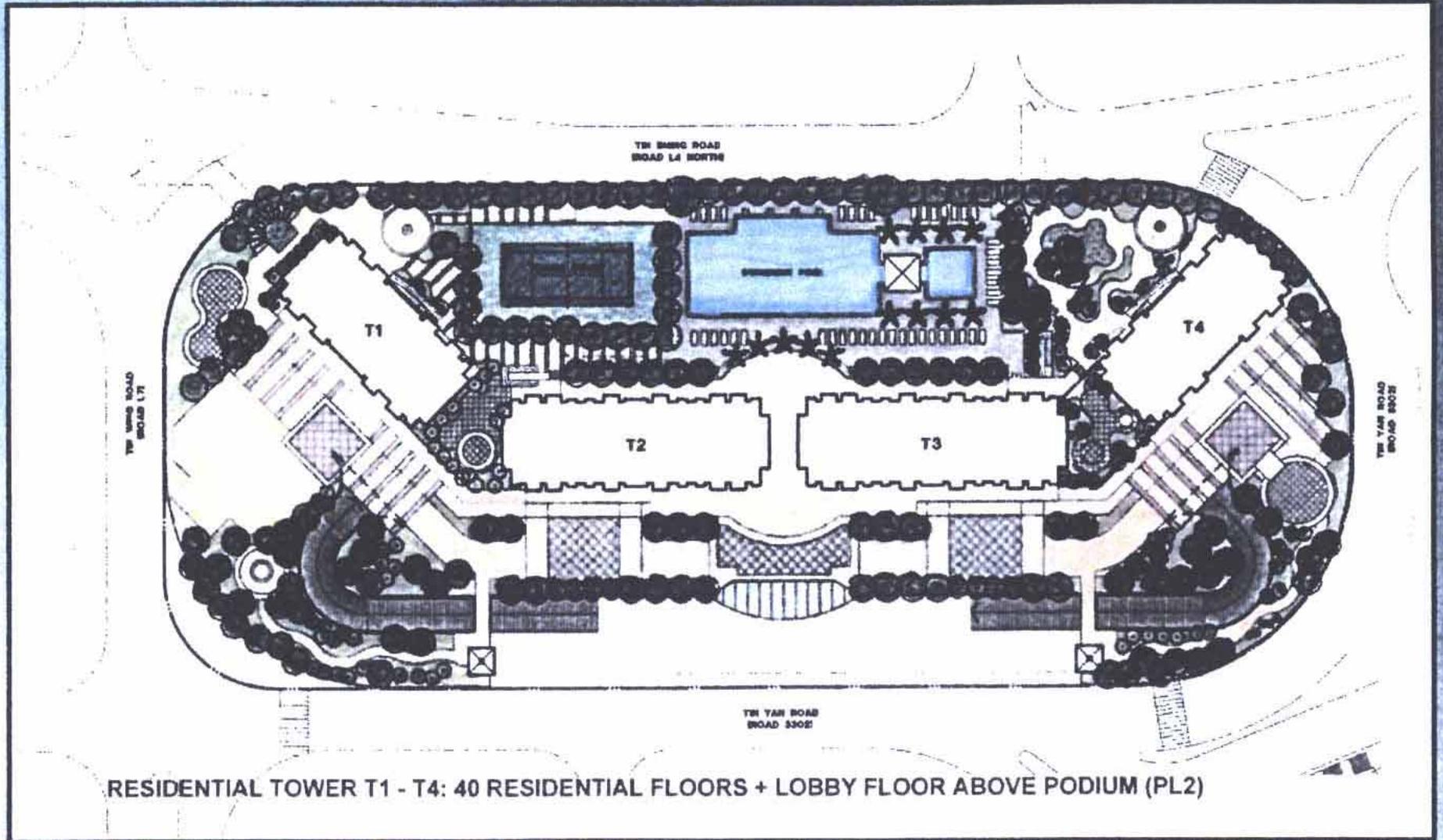
According to MTRCL, with the Rail and Property model, Hong Kong has been able to benefit from a world-class metro system. At the same time, the Government has benefited by \$136.1 billion in value -

	(\$billion)
Value to Government / Hong Kong	
Land premium	75.8
Market capitalisation as at 29/5/2006	79.7
Cash dividends	2.3
IPO proceeds	10.5
Cost to Government	
Government equity injection	(32.2)
Value creation	136.1

Ho Tung Lau (Site A)

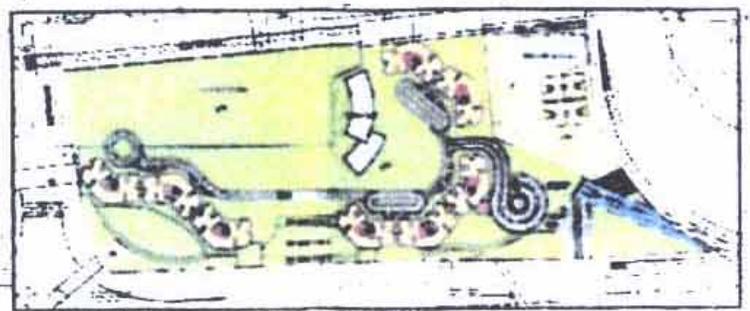


Tin Shui Wai Light Rail Terminus



- LEGEND**
- RESIDENTIAL LOBBY / LIFT AREA
 - EVA
 - BEACH & BALCONY RELATED FACILITIES
 - POOLUM POOL / LANDSCAPED AREA
 - LANDSCAPED / HARD PAVED AREA AT GROUND FLOOR
 - CLUBHOUSE FACILITIES (EXEMPTED FROM SPA)
 - DEDICATED PEDERIMAN LINK
 - PSC SITE

REMARK: THE LAYOUT OF THE PROPOSED FACILITIES, RESIDENTIAL AND CLUBHOUSE, IS INDICATIVE ONLY AND IS SUBJECT TO DETAILED DESIGN.



T'SUEN NAM ROAD

PROPOSED DEDICATED PEDERIMAN LINK WITH STATION INTERFERENCE CLEARING OPERATING HOLD OFF FOR KCR EAST RAIL

APPROVED M.L.P.

KCR EAST RAIL

TAI WA STATION

CLUBHOUSE

POST SECONDARY COLLEGE
SCHOOL AND LIBRARY
17.20' x 100.00'

MEI TIN ROAD

CHE KUNG MIU ROAD

PROPOSED MEI TIN ROAD AND MEI TIN ROAD BRIDGE

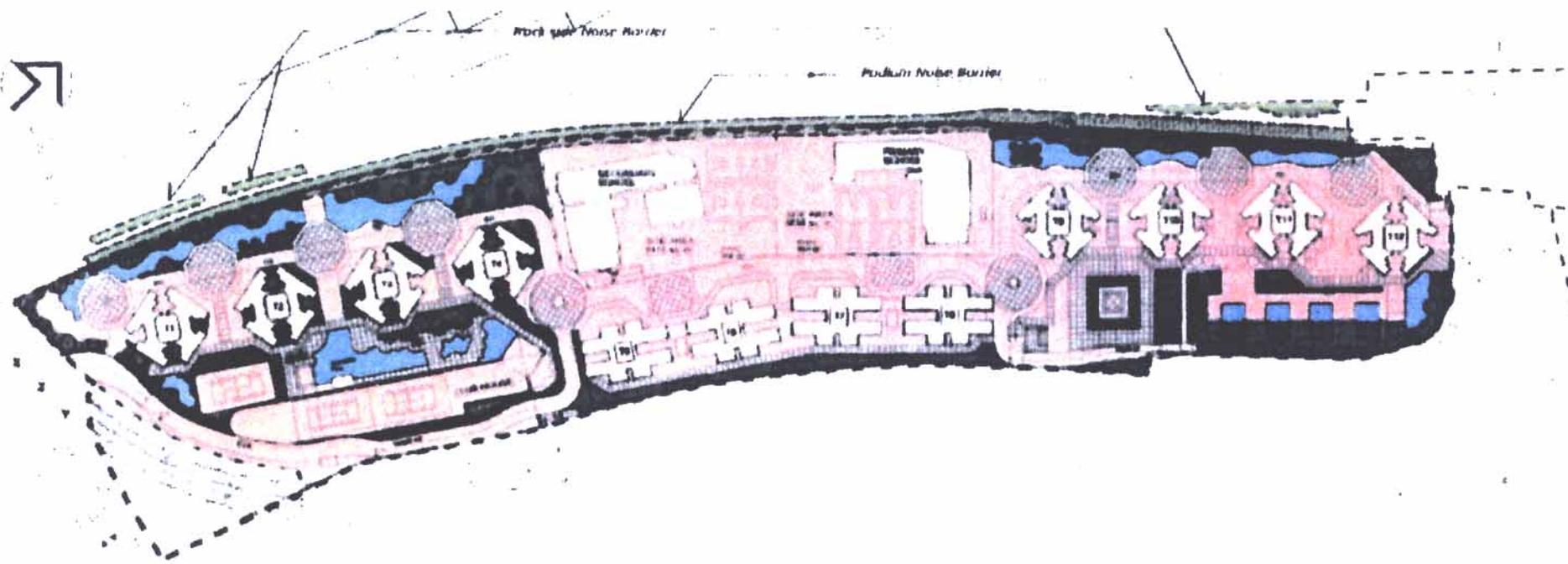
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PROPOSED MEI TIN ROAD BRIDGE

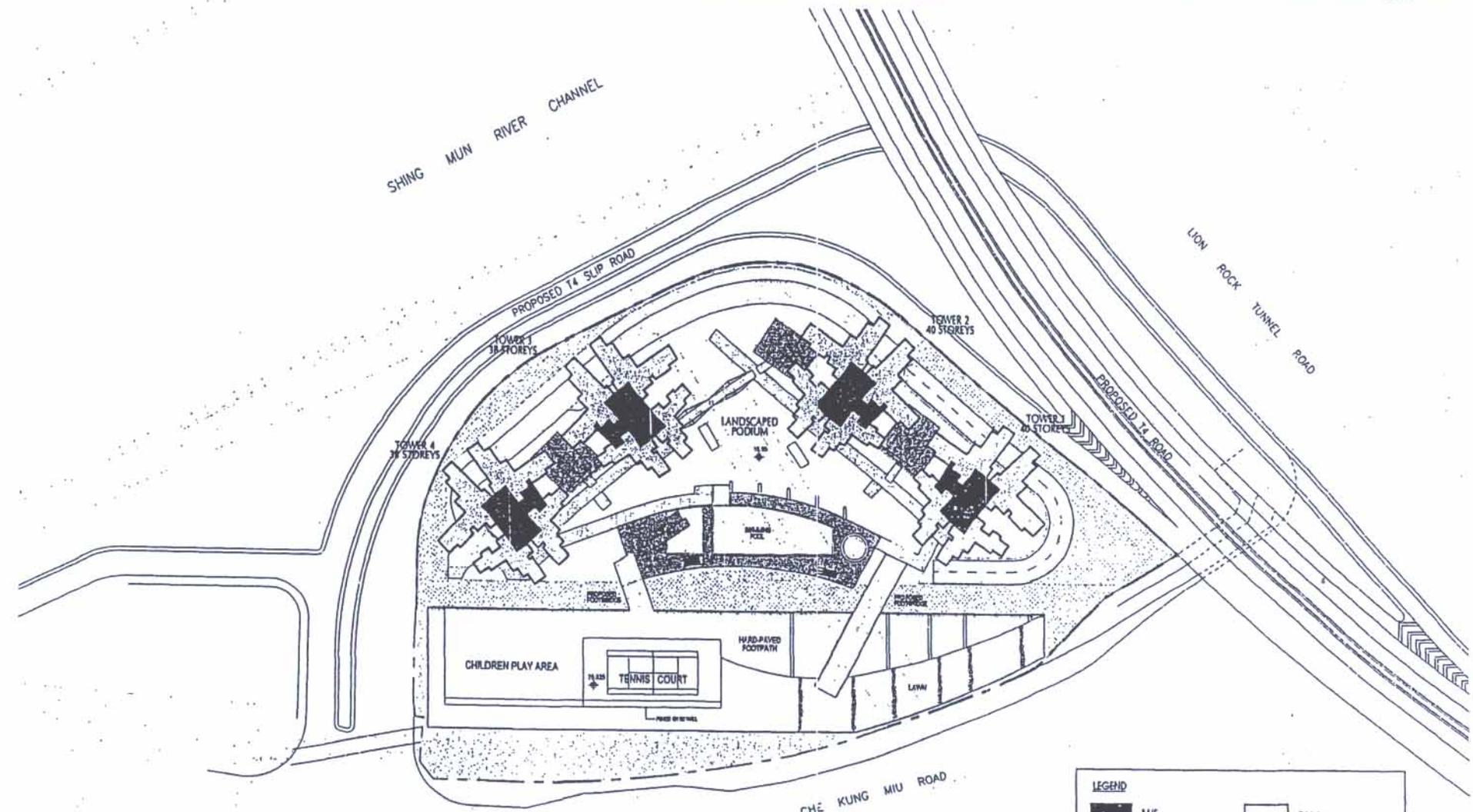


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Tai Wai Maintenance Centre



MASTER LAYOUT PLAN



LEGEND

	M/E		EVA
	RESIDENTIAL LOBBY / LIFTS AREA		CLUBHOUSE FACILITIES
	EVA & FIREMAN ACCESS FOR STATION		RESIDENTIAL UNITS
	LANDSCAPED PODIUM		LANDSCAPED ON GRADE
	FOOTBRIDGE LINKAGE		

Che Kung Temple Station 車公廟

FIGURE 5.1 MASTER LAYOUT PLAN

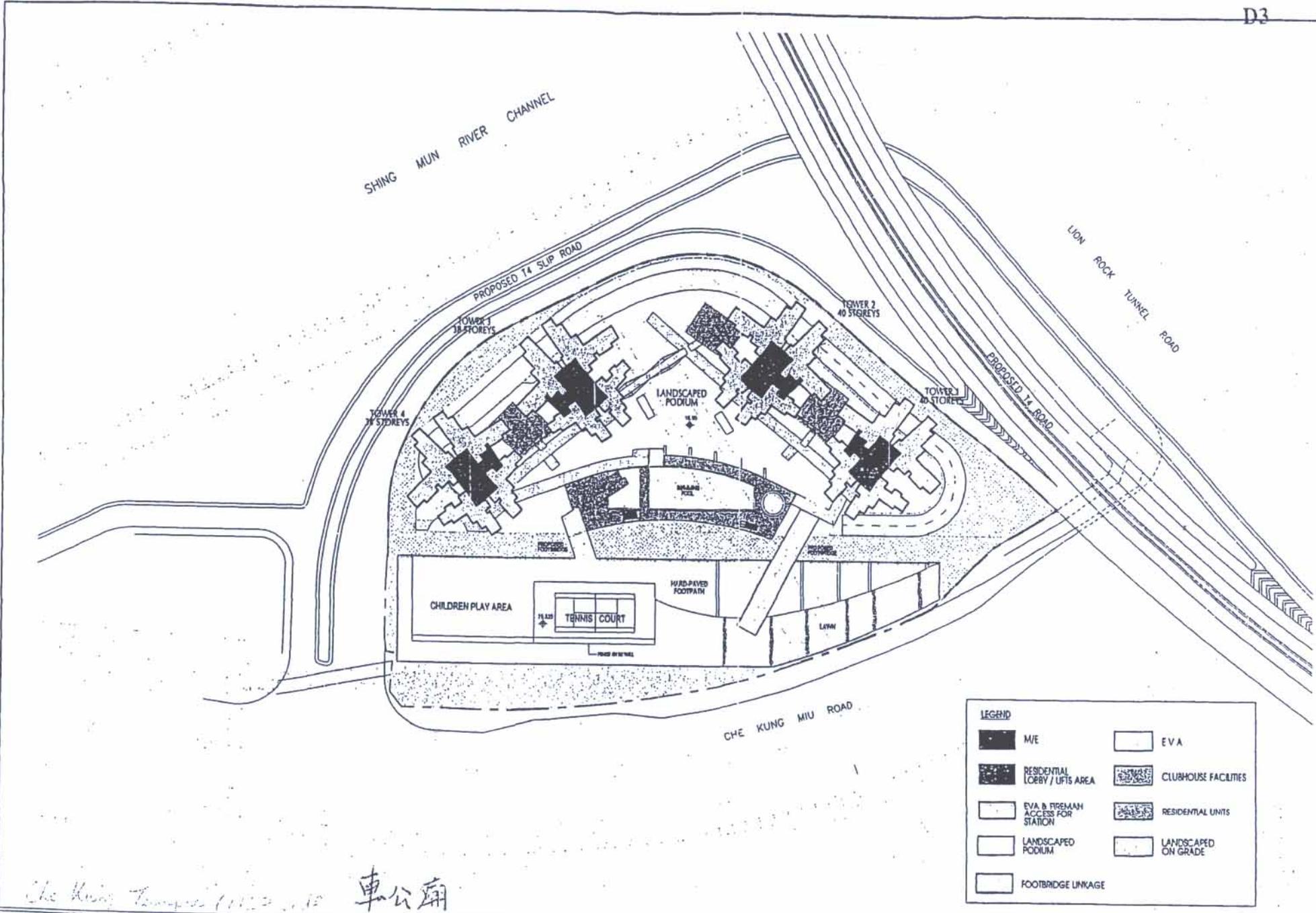
JOB NO:	9904-NT
DATE:	24 JAN 2002
SCALE:	1:1000
DRAWING NO.:	
APP. NO.:	



CHE KUNG TEMPLE STATION
PROPERTY DEVELOPMENT STUDY



MOS RAIL
馬鞍山鐵路



LEGEND	
	M/E
	EVA
	RESIDENTIAL LOBBY / LIFTS AREA
	CLUBHOUSE FACILITIES
	EVA & FIREMAN ACCESS FOR STATION
	RESIDENTIAL UNITS
	LANDSCAPED PODIUM
	LANDSCAPED ON GRADE
	FOOTBRIDGE LINKAGE

Che Kung Temple Station 車公廟

FIGURE 5.1 MASTER LAYOUT PLAN

JOB NO:	0903491
DATE:	24 JAN 2009
SCALE:	1:1000
DRAWING NO.:	
DATE OF REVISION/ISSUE:	

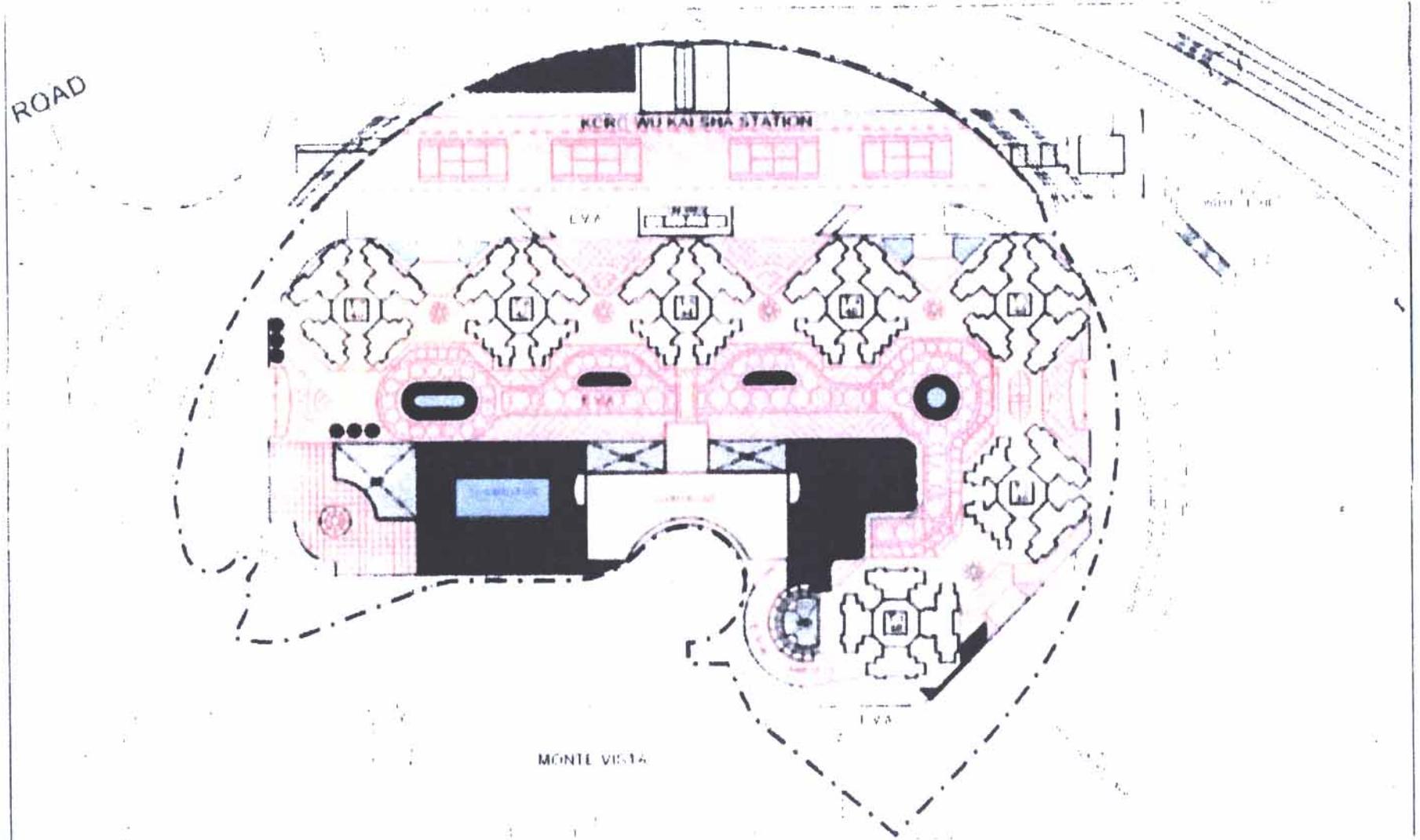


CHE KUNG TEMPLE STATION
PROPERTY DEVELOPMENT STUDY

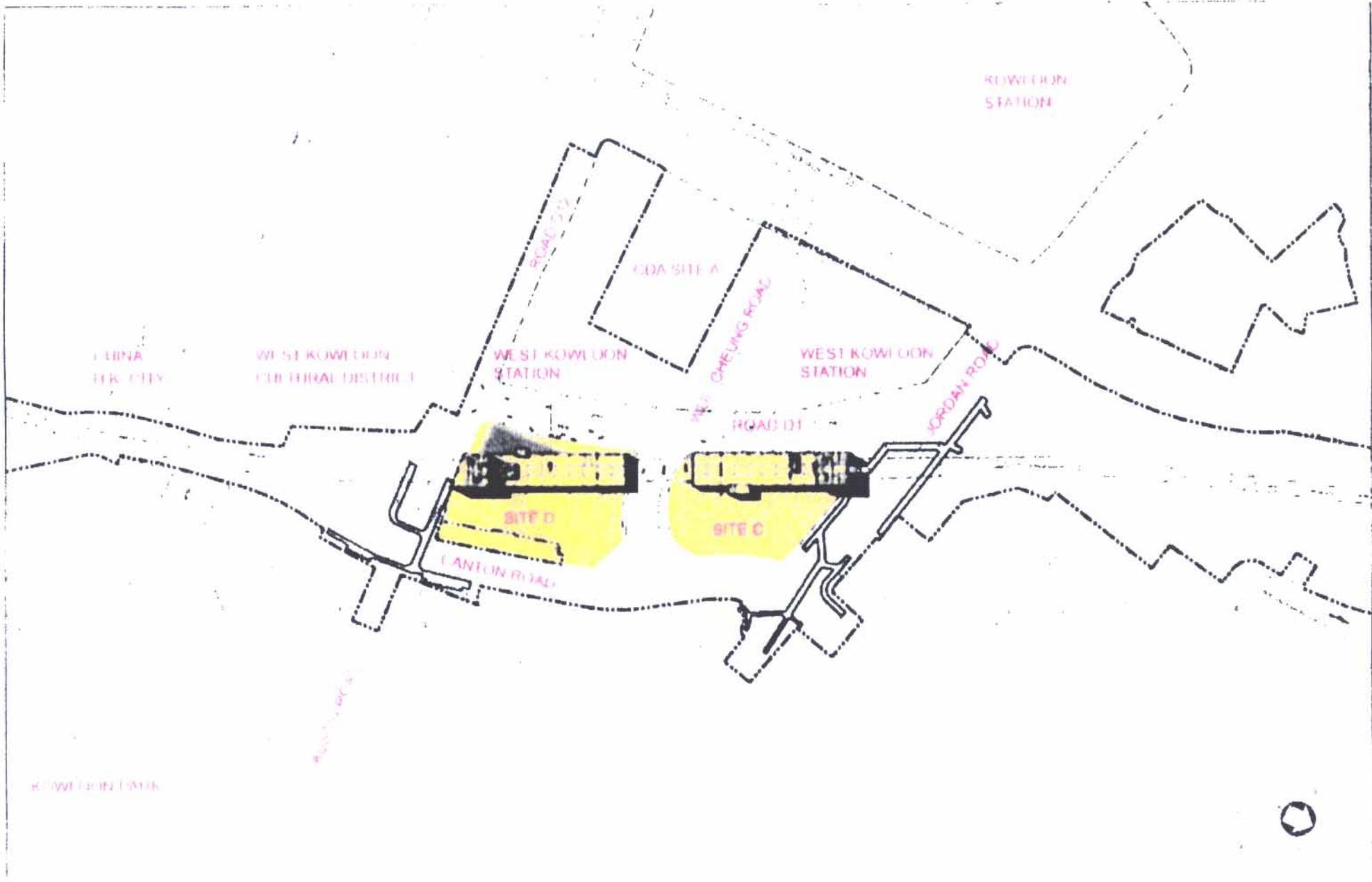


MOS RAIL
馬鞍山鐵路

PROPERTY DEVELOPMENT AT WU KAI SHA STATION



Master Layout Plan



KSL (1/17/2011)





Kowloon East Rail Station
 Property Development
 Site C & Site D
 Site Plan

PROPERTY DEVELOPMENT SITE C & SITE D
 AT WEST KOWLOON STATION
 SITE PLAN

KDB200/AA/10010 A
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A2

NEW GRANT NO. 13170

PARTICULARS AND CONDITIONS OF EXCHANGE

PARTICULARS AND CONDITIONS FOR THE GRANT by the Government of the Hong Kong Special Administrative Region (hereinafter referred to as "the Government") of the lot described in the First Schedule hereto and shown coloured pink, pink stippled black, pink stippled red, pink hatched black, pink hatched red, pink hatched black hatched red, pink hatched black stippled black and pink cross hatched black on Plan I annexed hereto (except and reserved unto the Government the Reserved Area and the Footbridge Portion as described in Special Condition No.(30) hereof) for a term of fifty years commencing from the date of the Memorandum of Agreement annexed hereto at the rent specified in the said First Schedule and subject to the General and Special Conditions hereunder in exchange for the surrender of the OLD LOT described in the Second Schedule hereto and shown coloured blue on Plan II annexed hereto.

First Schedule

PARTICULARS OF THE LOT

Registry No.	Location	Site	Area in square metres	Rent	Premium
Sha Tin Town Lot No. 470	Ho Tung Lau, Sha Tin, New Territories	As delineated and shown coloured pink, pink stippled black, pink stippled red, pink hatched black, pink hatched red, pink hatched black hatched red, pink hatched black stippled black and pink cross hatched black on Plan I annexed hereto (except and reserved unto the Government the Reserved Area and the Footbridge Portion as described in Special Condition No.(30) hereof)	26 687 (about)	An annual rent of an amount equal to 3% of the rateable value from time to time of the lot, subject to General Condition No. 1 hereof	\$1,322,000,000

Second Schedule

OLD LOT TO BE SURRENDERED

Registry No.	Location	Site	Area in square metres
Land vested in the Kowloon-Canton Railway Corporation	Ho Tung Lau, Sha Tin, New Territories	As delineated and shown coloured blue on Plan II annexed hereto	26 687 (about)

何東樓

GENERAL CONDITIONS

Rent

1. Rent as specified in the Particulars of the Lot shall commence and be payable from the date of this Agreement and until the expiry of the term hereby granted, and shall be governed by the provisions of the Government Rent (Assessment and Collection) Ordinance, any regulations made thereunder and any amending legislation and also subject to a minimum rent of \$1 per annum (if demanded).

Acknowledgement by Grantee

2. The Grantee hereby expressly acknowledges :

- (a) that the Government shall be under no liability whatsoever to the Grantee (which expression shall for the purpose of this Condition only include his successors, assigns, mortgagees, tenants or other occupiers of the lot whether lawful or otherwise) for any loss or damage howsoever arising in connection with or as a consequence of his grant of the lot and its subsequent development;
- (b) that he has acquired the lot based on his site investigation (if any) or upon his own evaluation of land records and available geotechnical information whether obtained from Government sources or otherwise and has satisfied himself as to the state and condition of the lot in relation to the purposes for which the lot is to be developed or redeveloped;
- (c) that he takes the lot, whether on, above or below the surface of the ground, in the state and condition as it exists on the date on which possession of the lot is deemed to be given in accordance with Special Condition No. (4) of these Conditions; and
- (d) that he shall not be entitled to revoke, withdraw, cancel or rescind in any way whatsoever from this Agreement nor be entitled in any way whatsoever to compensation or a reduction in the premium or any other compromise whatsoever should he subsequently determine that the lot is not fit for the purposes for which he acquired the lot.

Exclusion of warranty

3. (a) The Government has given no warranty, express or implied, as to the suitability or fitness of the lot or any part thereof for development whether in accordance with these Conditions or otherwise. The Grantee for himself, his successors or assigns undertakes not to make any claim against the Government for any loss or damage whatsoever which he may suffer as a result of or arising from the state and condition of the lot making it either unfit for the purpose for which he acquired the lot or rendering it impossible to achieve the scale of development originally intended.

(b) The Government in no way warrants the accuracy or correctness in any way whatsoever of any information made available or obtained, and in particular does not warrant that the lot is fit and suitable for any particular purpose.

Indemnity by Grantee

4. The Grantee shall indemnify and keep indemnified the Government against all actions, proceedings, liabilities, demands, costs, expenses and claims whatsoever arising from any damage caused to adjacent or adjoining land where such damage has, in the opinion of the Director of Lands (hereinafter referred to as "the Director") (whose opinion shall be final and binding upon the Grantee), arisen out of any development or redevelopment affecting the lot or part thereof or out of any other works which the Grantee is required to undertake in compliance with these Conditions.

Setting out

5. (a) The Director shall, at such time as he thinks fit or upon the application of the Grantee, set out the lot on the ground and the Grantee or his authorized representative after such setting out when called upon by the Director will attend at the lot to inspect the survey marks delineating the lot on the ground and will be given a plan showing the positions and descriptions of each such mark. The Grantee shall not commence any operations for building on the lot until it shall have been so set out by the Director. The Grantee shall take or cause to be taken all proper care and precautions to safeguard the said survey marks from disturbance or removal. If, before commencing any operations for building on the lot, any of the said survey marks are disturbed or removed, the Grantee shall apply in writing to the Director for replacement by survey and shall pay on demand to the Government in advance the prescribed fee therefor.

Encroachment upon
Government land

(b) In the event that the Grantee is found to have encroached upon and to be occupying Government land the Director may in his absolute discretion either require the Grantee to demolish any building or part of any building standing on such Government land, to reinstate such Government land to his satisfaction and deliver vacant possession of the same to the Government or pay to the Government such sum as the Director in his absolute discretion shall determine as the premium in respect of such Government land. A certificate under the hand of the Director shall be conclusive as to the extent of any such encroachment and as to the amount of the premium payable in respect thereof. If the Grantee fails to demolish any building as required by the Director as above it shall be lawful for the Director to demolish such building and the Grantee shall pay on demand to the Government the amount certified by the Director as the cost of such demolition. In the event that the Director exercises his discretion to require the payment of premium as aforesaid, upon the payment of such premium the area of Government land encroached upon shall be deemed in all respects to be part of the lot and shall be included in the lease of the lot when issued.

Maintenance

6. (a) The Grantee shall throughout the tenancy having built or rebuilt (which word refers to redevelopment as contemplated in sub-clause (b) below) in accordance with these Conditions (as defined in General Condition No. 12):

- (i) maintain all buildings in accordance with the approved design, disposition or height and any approved building plans without variation or modification thereto; and
- (ii) maintain all buildings erected or which may hereafter be erected in accordance with these Conditions or any subsequent contractual variation of them, in good and substantial repair and condition and in such repair and condition deliver up the same at the expiration or sooner determination of the tenancy.

(b) In the event of the demolition at any time during the tenancy of any building then standing on the lot or any part thereof the Grantee shall replace the same either by sound and substantial building or buildings of the same type and of no less gross floor area or by building or buildings of such type and value as shall be approved by the Director. In the event of demolition as aforesaid the Grantee shall within one calendar month of such demolition apply to the Director for consent to carry out building works for the redevelopment of the lot and upon receiving such consent shall within three calendar months thereof commence the necessary works of redevelopment and shall complete the same to the satisfaction of and within such time limit as is laid down by the Director.

Boundary stones

7. The Grantee shall permit boundary stones properly cut and marked with the number of the lot to be fixed at each angle thereof and either in or on the land itself or in or on any building erected thereon as may be required by the Director and shall pay the fees prescribed by him therefor as well as the prescribed fees for the refixing of such boundary stones which, through being lost, damaged or removed, need replacing.

Private streets, roads and lanes

8. Any private streets, roads and lanes which by these Conditions are required to be formed shall be sited to the satisfaction of the Director and included in or excluded from the area to be leased as may be determined by him and in either case shall be surrendered to the Government free of cost if so required. If the said streets, roads and lanes are surrendered to the Government, the surfacing, kerbing, draining (both foul and storm water sewers), channelling and road lighting thereof shall be carried out by the Government at the expense of the Grantee and thereafter they shall be maintained at public expense. If the said private streets, roads and lanes remain part of the area to be leased, they shall be lighted, surfaced, kerbed, drained, channelled and maintained by and at the expense of the Grantee in all respects to the satisfaction of the Director and the Director may carry out or cause to be carried out the installation and maintenance of road lighting for the sake of public interest as required. The Grantee shall bear the capital cost of installation of road lighting and allow free ingress and egress to and from the area to be leased to workmen and vehicles for the purpose of installation and maintenance of the road lighting.

Right to inspect

9. (a) The Grantee shall throughout the tenancy, at all reasonable times, permit the Director or his authorized representatives, with or without having given notice, to enter in or upon the lot or any part thereof or any building or part of any building erected on the lot for the purpose of inspecting the same so as to ascertain that there is no breach of or failure to observe any of these Conditions.

Breach of lease conditions

(b) The fulfilment by the Grantee of his obligations under these Conditions shall be a condition precedent to the grant or continuance of the tenancy, and in the event of any default by the Grantee in complying therewith such default shall be deemed to be a continuing breach and the subsequent acceptance by or on behalf of the Government of any rent or rates or other payment whatsoever shall not (except where the Government has notice of such breach and has expressly acquiesced therein) be deemed to constitute any waiver or relinquishment or otherwise prejudice the enforcement of the Government's right of re-entry for or on account of such default or any other rights, remedies or claims of the Government in respect thereof under these Conditions which shall continue in force and shall apply also in respect of default by the Grantee in the fulfilment of his obligations under these Conditions within any extended or substituted period as if it had been the period originally provided.

Re-entry

10. (a) Upon any failure or neglect by the Grantee to perform, observe or comply with any of these Conditions the Government shall be entitled to re-enter upon and take back possession of the lot or any part thereof and all or any buildings, erections and works erected or to be erected on the lot or any such part thereof or any part of such buildings, erections or works and thereupon this Agreement and the rights of the Grantee hereunder shall absolutely cease and determine (in respect of such part if the re-entry is upon a part only) but without prejudice nevertheless to the rights, remedies and claims of the Government in respect of any breach, non-observance or non-performance of any of these Conditions.

No compensation on re-entry

(b) In the event of re-entry by the Government for or in respect of or arising out of the breach, non-observance or non-performance by the Grantee of the provisions of these Conditions, the Grantee shall not be entitled to any refund of the premium paid by him or any part thereof or to any payment or compensation whatsoever whether in respect of the value of the land or any part thereof or any building or buildings erected or to be erected on the land or any part thereof or part of any such building or buildings or any amount expended by the Grantee in the preparation, formation or development of the lot or any part thereof or otherwise.

Lease

11. (a) When these Conditions have been performed and complied with to the satisfaction of the Director, the Grantee shall subject to approval of his title by the Director be entitled to a lease of the lot for the term stated in the preamble to these Conditions.

(b) The Grantee shall execute and take up a lease of the lot when called upon to do so by the Director and shall pay the prescribed fees therefor. In the event of more than one building being erected on the lot the Grantee may be required to take up a separate lease for the site of each separate building and shall pay the prescribed fees for every additional lease so required to be taken up.

(c) Pending the issue of the lease the tenancy of the lot shall be deemed to be upon and subject to, and such lease, when issued, shall be subject to and contain all exceptions, reservations, covenants, clauses, conditions and provisos as are now inserted in the leases issued by the Government of similar lots in the Hong Kong Special Administrative Region (hereinafter referred to as "Hong Kong") as varied, modified or extended by these Conditions.

Definitions

12. (a) The expression "Grantee" shall in these Conditions include the person entering into and executing this Agreement and where the context so admits or requires his executors, administrators and assigns and in the case of a corporation its successors and assigns and the expression "lot", except where the context otherwise requires, means the lot stated in the Particulars of the Lot hereof. Where the context so admits or requires, words importing the masculine gender shall be deemed to include females and corporations, and words in the singular shall be deemed to include the plural.

(b) The foregoing General Conditions shall be read and construed as varied or modified by the Special Conditions hereinafter contained, and the expression "these Conditions" whenever used shall mean and include the General and Special Conditions.

Marginal notes

13. The marginal notes to these Conditions shall not be deemed to be part of these Conditions and shall not affect the interpretation or construction thereof.

SPECIAL CONDITIONS

- Surrender** (1) The Grantee shall at his own expense surrender to the Government free of cost the piece or parcel of ground described in the Second Schedule hereto to the satisfaction of the Director contemporaneously with the execution of this Agreement.
- Indemnify Government against existing structures** (2) The Grantee acknowledges that there are some buildings and structures existing on or projecting into or over or above the piece or parcel of ground described in the Second Schedule hereto (hereinafter referred to as "the said existing buildings and structures"). The Government will accept no responsibility or liability for any damage, nuisance or disturbance caused to or suffered by the Grantee by reason of the presence of the said existing buildings and structures and the Grantee shall indemnify and keep indemnified the Government from and against all liability, claims, costs, demands, actions or other proceedings whatsoever arising whether directly or indirectly out of or in connection with the presence and subsequent demolition of the said existing buildings and structures.
- Premium** (3) Having paid the deposit equal to 10% of the premium specified in the First Schedule hereto, the Grantee shall pay to the Government upon the execution of this Agreement by the Grantee the balance of the premium.
- Possession** (4) (a) Subject to compliance with Special Condition No. (1) hereof and to the payment of the premium in accordance with Special Condition No. (3) hereof, possession of the lot shall be deemed to be given to and taken by the Grantee on the date of this Agreement.
- (b) The lot is granted subject to all and any rights, claims, actions, proceedings and liabilities whether arising by way of adverse possession or otherwise as existing on the date of this Agreement in relation to the lot or any part thereof hereby granted.
- Formation of the Public Roads (time limit, manner and purpose)** (5) (a) The Grantee shall :
- (i) within 55 calendar months from the date of this Agreement or such extended time as may be approved by the Director, at his own expense and in all respects to the satisfaction of the Director lay, form, provide, construct and alter in such manner with such materials and to such standards, levels, alignment and design as the Director shall approve or require, (including the provision and construction of such bridges, tunnels, over-passes, under-passes, roundabouts, culverts, viaducts, flyovers, pavements, lay-bys or such other structures as the Director in his sole discretion may require, so that building, vehicular and pedestrian traffic may be carried thereon) those portions of existing and future public roads shown coloured green on Plan I annexed hereto (such portions of existing and future public roads shown coloured green on Plan I annexed hereto to be laid, formed, provided, constructed and altered including all supporting columns and structures and any bridges, tunnels, over-passes, under-passes, roundabouts, culverts, viaducts, flyovers, pavements, lay-bys, services, surfaces, gullies, sewers, drains, fire hydrants, street lights, traffic signs, street furniture, road markings, plant and other structures constructed, installed or provided or to be constructed, installed or provided thereon or therein in accordance with this Special Condition No.(5)(a) being hereinafter collectively referred to as "the Public Roads");

- (ii) within 55 calendar months from the date of this Agreement or such extended time as may be approved by the Director, at his own expense and to the satisfaction of the Director surface, kerb and channel the Public Roads and provide the same with such gullies, sewers, drains, fire hydrants with pipes connected to water mains, street lights, traffic signs, street furniture and road markings as the Director may require; and
- (iii) maintain at his own expense the Public Roads to the satisfaction of the Director until such time as possession of the Public Roads have been delivered in accordance with Special Condition No. (6) hereof.

**Formation of the Public Roads
(non-fulfilment)**

(b) In the event of the non-fulfilment of the Grantee's obligations under sub-clause (a) of this Special Condition within the prescribed period stated therein, the Government may carry out the necessary works at the cost of the Grantee who shall pay to the Government on demand a sum equal to the cost thereof, such sum to be determined by the Director whose determination shall be final and shall be binding upon the Grantee.

Possession of the Public Roads

(6) For the purpose only of carrying out the necessary works specified in Special Condition No. (5)(a) hereof, the Grantee shall on the date of this Agreement be granted possession of the existing portions of the Public Roads in its existing state and condition. The Public Roads shall be delivered to the Government on demand and in any event shall be deemed to have been delivered to the Government by the Grantee on the date of a letter from the Director indicating that these Conditions have been complied with to his satisfaction. The Grantee shall at all times while he is in possession of the Public Roads allow free access over and along the Public Roads for all Government and public vehicular and pedestrian traffic and shall ensure that such access shall not be interfered with or obstructed by the carrying out of the works whether under Special Condition No. (5)(a) hereof or otherwise.

**Restriction on use of the Public
Roads**

(7) The Grantee shall not without the prior written consent of the Director use the Public Roads for the purpose of storage or for the erection of any temporary structure other than the carrying out of the works specified in Special Condition No. (5)(a) hereof.

**Access to the Public Roads for
inspection**

(8) The Grantee shall at all reasonable times while he is in possession of the Public Roads permit the Director, his officers, contractors and any other persons authorized by him, the right of ingress, egress and regress to, from and through the lot and the Public Roads for the purpose of inspecting, checking and supervising any works to be carried out in compliance with Special Condition No. (5)(a) hereof and the carrying out, inspecting, checking and supervising of the works under Special Condition No. (5)(b) hereof or any other works which the Director may consider necessary in or to the Public Roads.

Master Layout Plans

(9) (a) The Grantee shall within six calendar months from the date of this Agreement submit or cause to be submitted by his authorized person (as defined in the Buildings Ordinance) to the Director for his approval Master Layout Plans (hereinafter referred to as "the Master Layout Plans") showing delineated and coloured thereon:

- (i) the formation levels of the lot;
- (ii) the position, widths and levels of any proposed roads and pedestrian ways to be constructed within the lot;
- (iii) the nature, height, site coverage and gross floor area of the buildings proposed to be erected on the lot, including the disposition, location and distribution of such buildings in relation to the proposed site formation levels and the topography of the lot;

- (iv) any communal open space together with an indication of hard and soft landscaping and recreational facilities proposed to be provided on the lot;
- (v) an indication of vehicle, motor cycle and bicycle parking proposals; and
- (vi) the stages or phases by which it is proposed to develop the lot.

(b) Upon written approval by the Director of the Master Layout Plans, a copy thereof shall be signed by the Director and the Grantee and thereafter shall be deposited by the Grantee with the Director.

(c) The approved Master Layout Plans shall not be amended, varied, altered, modified or substituted without the prior written consent of the Director and no amendment, variation, alteration, modification or substitution of the approved Master Layout Plans shall be valid or binding on the Government or the Grantee unless a record thereof shall have been signed by the Director and the Grantee and deposited by the Grantee with the Director.

(d) The lot or any part thereof shall not be developed or redeveloped except in accordance with the approved Master Layout Plans and no building or structure which is not shown on the approved Master Layout Plans shall be erected, constructed or maintained on or within the lot.

(e) No building, landscaping or any other works including site formation works (except such railway related works or works associated with the KCRC Complex referred to in Special Condition No. (10)(a) hereof as the Director may approve in writing) shall be commenced on the lot or on any part thereof until the Master Layout Plans have been approved in writing by the Director.

(f) For the purpose of these Conditions, "building works" and "site formation works" shall be as defined in the Buildings Ordinance and any amending legislation thereto and the decision of the Director as to what constitutes railway related works or works associated with the KCRC Complex shall be final and binding on the Grantee. For the avoidance of doubt, the approval to the commencement or carrying out of any such railway related works or works associated with the KCRC Complex prior to the approval of the Master Layout Plans or the Master Submission or the design, disposition and height of buildings or the Footbridge and Connection Plans respectively referred to in Special Condition Nos. (9), (20), (10) and (35) hereof shall not in any way prejudice or affect the Director's right in approving or not approving the said Master Layout Plans, the Master Submission, the design, disposition and height of buildings and the Footbridge and Connection Plans under the said Special Conditions or the Government's right in enforcing the due observance and compliance of these Conditions. The commencement and carrying out of such works shall be at the Grantee's own risk.

Development conditions

(10) Subject to these Conditions, upon development or redevelopment (which term refers solely to redevelopment contemplated in General Condition No. (6)) of the lot or any part thereof:

(a) the Grantee shall in accordance with these Conditions erect, construct, provide and maintain upon the lot:

The KCRC Complex

- (i) KCRC facilities and accommodation for railway purposes (hereinafter collectively referred to as "the KCRC Complex") including but not limited to a KCRC railway depot (hereinafter referred to as "the KCRC Depot") provided that, except with the prior written approval of the Director, no part of the KCRC Complex may exceed the height of 16.5 metres above the Hong Kong Principal Datum;

- The elevated building platform
- (ii) an elevated building platform with such dimensions and at such levels, location and position as the Director shall approve (hereinafter referred to as "the elevated building platform") provided that not less than 23,340 square metres (or such lesser area as the Director may otherwise approve in writing) of the site area of the lot shall be decked over and the design, height, specifications and construction (including the materials to be used) of the elevated building platform and all structures ancillary or appertaining thereto or forming part thereof shall also be subject to the approval in writing of the Director;
- The Non-Industrial Development
- (iii) above 16.5 metres Hong Kong Principal Datum, non-industrial buildings excluding any godown and hotel (hereinafter referred to as "the Non-Industrial Development");
- The Residential Development
- (iv) within the Non-Industrial Development and above the elevated building platform, private residential accommodation with a total gross floor area of not exceeding 120 900 square metres and not less than 72 540 square metres and comprising not more than 1 560 residential units (which accommodation is hereinafter referred to as "the Residential Development"); and
- The Commercial Development
- (v) within the Non-Industrial Development and above the elevated building platform, commercial accommodation and facilities (excluding office accommodation) with a total gross floor area of not exceeding 2 000 square metres and not less than 1 200 square metres (which accommodation and facilities are hereinafter referred to as "the Commercial Development"); and
- Noise mitigation barriers
- (vi) such noise mitigation barriers or screens with such design, dimensions and materials and at such levels, locations and positions and to such standard as the Director may require or approve in writing for mitigating the potential road traffic and rail noise problems to the satisfaction of the Director.
- Compliance with Buildings Ordinance
- (b) any building or buildings erected or to be erected on the lot shall in all respects comply with the Buildings Ordinance, any regulations made thereunder or any amending legislation;
- Compliance with Town Planning Ordinance
- (c) no building or buildings may be erected on the lot or any part thereof or upon any area or areas outside the lot specified in these Conditions, nor may any development or use of the lot or any part thereof, or of any area or areas outside the lot specified in these Conditions take place, which does not in all respects comply with the requirements of the Town Planning Ordinance and any amending legislation; and
- Design, disposition and height
- (d) the design, disposition and height of any building or buildings erected or to be erected on the lot shall be subject to the approval in writing of the Director and no building works (other than site formation works and such railway related works or works associated with the KCRC Complex as the Director may approve in writing) shall be commenced on the lot until such approval shall have been obtained.
- Total gross floor area
- (e) the total gross floor area of any building or buildings erected or to be erected on the lot (excluding the gross floor area of the KCRC Complex) shall not be less than 73,740 square metres and shall not exceed 122,900 square metres, subject further to the specific limitations as to the total gross floor area for private residential accommodation and the commercial accommodation and facilities under sub-clauses (a)(iv) and (a)(v) of this Special Condition.

KCRC Ordinance

(11) The provisions of the Kowloon-Canton Railway Corporation Ordinance (Chapter 372) (hereinafter referred to as "the KCRC Ordinance") shall apply to any part of the lot which constitutes "railway premises" (which expression is defined in Section 2 of the KCRC Ordinance) including but not limited to the KCRC Complex Provided Always that in the event of any conflict between the provisions of the KCRC Ordinance and the provisions of these Conditions the provisions of the KCRC Ordinance shall prevail. In particular, the terms, conditions and reservations as set out in paragraphs 10(d) to 10(g), paragraphs 11 and 12 and paragraphs 17 to 21 of Part II of the Second Schedule to the KCRC Ordinance shall apply to any part of the lot which constitutes "railway premises" (which expression is defined in Section 2 of the KCRC Ordinance) including but not limited to the KCRC Complex as if the same were herein set out, with such modifications only as in the absolute opinion of the Director are necessary to make the same so applicable.

Building covenant

(12) The Grantee shall develop the lot by the erection thereon of a building or buildings complying in all respects with these Conditions and all Ordinances, bye-laws and regulations relating to building, sanitation and planning which are or may at any time be in force in Hong Kong, such building or buildings to be completed and made fit for occupation on or before the 30th day of September 2008.

No guarantee of completion or commissioning of Sha Tin Sewage Treatment Works Stage III Extension Phase II

(13) (a) The Grantee hereby expressly acknowledges that he is acquiring the lot with full knowledge that there is the risk of the Sha Tin Sewage Treatment Works Stage III Extension Phase II (hereinafter referred to as "the said Sewage Treatment Works") not being commissioned or completed or of any delay in the commissioning or completion thereof and that whether any building or buildings to be erected on the lot are fit for occupation may be affected thereby.

(b) Notwithstanding anything herein contained, the Government gives no warranty or representation whatsoever, express or implied, as to whether and when the said Sewage Treatment Works will be commissioned or completed and the Government shall be under no responsibility, liability or obligation whatsoever to the Grantee or any person in any way in respect of the commissioning or completion of the said Sewage Treatment Works.

(c) For the avoidance of doubt, the obligations and liabilities of the Grantee under these Conditions (including but not limited to Special Condition No. (12) hereof) shall not in any way be released, extinguished, diminished or reduced in the event of the said Sewage Treatment Works not being commissioned or completed or any delay in the commissioning or completion thereof for any reason whatsoever.

User (the KCRC Complex)

(14) The KCRC Complex shall not be used for any purpose other than:-

(a) for the purposes of the KCRC Depot including such running lines, marshalling yards, permanent way yards, welding shops, stabling sheds and storage facilities as may be approved by the Director in writing and

(b) for other railway purposes and such purposes ancillary to the use, operation and management of the railway as permitted under paragraph 15(a) of the Second Schedule to the KCRC Ordinance and such other purposes as the Director may at his absolute discretion approve in writing provided that in giving the approval, the Director may impose such terms and conditions, including charging a premium, as he considers appropriate.

User

(15) (a) The lot or any part thereof or any building or buildings erected or to be erected thereon (other than the KCRC Complex the user of which is subject to the provisions of Special Condition No. (14) hereof) shall not be used for any purpose other than for non-industrial (excluding hotel and godown) purposes.

(b) Without prejudice to the generality of sub-clause (a) of this Special Condition, the lot or any part thereof or any building or buildings erected or to be erected on the lot shall not be used for any purpose other than for which it is designed, constructed and intended in accordance with these Conditions.

As constructed drawings of the KCRC Complex

(16) The Grantee shall if required by the Director following the date on which the Director shall certify as being the date of completion of the KCRC Complex and any related structures, prepare and deposit in the Sha Tin New Territories Land Registry drawings to show the dimensions of the KCRC Complex and any related structures and their respective locations or positions within or beneath the lot with such construction details as the Director shall require.

Release of assignees of Non-Industrial Development from liability for the KCRC Complex

(17) Upon the issue by the Building Authority of an Occupation Permit or a Temporary Occupation Permit in respect of any portion of the Non-Industrial Development, the Grantee's assigns of such portion or any part thereof shall be deemed to be released and discharged from the positive obligations imposed on the Grantee pursuant to Special Condition No. (10)(a) hereof and pursuant to such of these Conditions as relate exclusively to the KCRC Complex.

Construction of Paved Way

(18) (a) The Grantee shall, within 55 calendar months from the date of this Agreement or within such other time limit as may be specified by the Director, at his own expense and in all respects to the satisfaction of the Director construct in such manner, at such levels, with such materials and to such standards and design as the Director shall require or approve an elevated paved way with the supporting columns and structures and the associated street furniture, traffic aids, street lighting, sewers, drains and other structures on or over the area shown coloured purple on Plan I annexed hereto (hereinafter referred to as "the Purple Area") so as to link the Public Roads with the lot at the level of the elevated building platform or such other level as may be required or approved by the Director. Such paved way, its supporting columns and structures and associated street furniture, traffic aids, street lighting, sewers, drains and other structures including any subsequent alterations, renewals or replacements thereof are hereinafter collectively referred to as "the Paved Way".

Right to pass from Public Roads to the lot by and through Paved Way

(b) The lot is granted together with a right for the Grantee and his servants, visitors, workmen and other persons authorized by him in that behalf from time to time and at all times during the term hereby agreed to be granted to pass and repass with or without vehicles from the Public Roads on, over, along, by and through the Paved Way to the lot (at the level of the elevated building platform or such other level as may be required or approved by the Director) and vice versa for all purposes connected with the proper use and enjoyment of the lot.

Maintenance of Paved Way

(c) Notwithstanding anything herein contained, the Grantee shall, throughout the term hereby agreed to be granted, at his own expense uphold, maintain and repair the Paved Way and everything forming a portion of or pertaining to it, all to be done to the satisfaction of the Director and shall indemnify and keep indemnified the Government, its officers, agents, contractors, workmen or other duly authorized personnel from and against all liabilities, costs, expenses, claims, actions, demands and proceedings of whatsoever nature arising out of or in connection with the carrying out of the works under sub-clauses (a), (c) and (d) of this Special Condition or any failure to comply with the said sub-clauses (a), (c) and (d).

(d) Any alteration to any public road absorbing a portion of the Paved Way or affecting the gradient thereof, shall not give rise to any claim by the Grantee who shall at his own expense carry out all consequent alterations to the Paved Way to the satisfaction of the Director.

(e) For the avoidance of doubt, the Grantee shall not have the exclusive right of or over the Paved Way. The Government shall have the right to use the Paved Way or grant rights of way over or permission to use the Paved Way to the owners of any other lots in the vicinity now or at any time in the future or any other persons, or to take over or use the whole or any portion of the Paved Way for the purposes of a public street or other purposes as the Director may deem fit without payment of any compensation to the Grantee or to other owners to whom rights of way over or permission to use the whole or any portion of the Paved Way may have been granted and without prejudice to sub-clause (c). The Grantee shall not do or suffer or permit to be done anything that may impede, obstruct or interfere with the exercise of the Government's right referred to in this sub-clause (e).

(f) In the event of the non-fulfilment of the Grantee's obligations under sub-clauses (a), (c) and (d) of this Special Condition, the Government may carry out the necessary construction, alteration, maintenance and repair works at the cost of the Grantee who shall pay to the Government on demand a sum equal to the cost thereof, such sum to be determined by the Director whose determination shall be final and shall be binding upon the Grantee.

(g) Notwithstanding anything contained in the foregoing provisions of this Special Condition, the Government shall have the full right and power, upon giving to the Grantee, not less than fourteen days written notice (save in case of emergency) to lay, install, relay, divert, remove, re-provision, replace, inspect, operate, repair, maintain and renew any Government or other drain, culvert, waterway or watercourse, sewer, nullah, water main, pipe, cable, wire, line, utility service or other works or installations (all together hereinafter referred to as "the services") which are now or may hereafter be upon, over, under or adjacent to the Purple Area or the Paved Way as the Director may in his absolute discretion deem fit, making good any and all damages caused thereby, and the Director, his officers, contractors and any other persons authorized by him, his or their workmen with or without tools, equipment, plant, machinery or motor vehicles shall have the right of free ingress, egress and regress at all times to and from the Purple Area or the Paved Way for the purposes aforesaid. The Grantee shall not disturb or allow anybody to disturb the services without prior written approval from the Director. Save in respect of making good any and all damage cause by any exercise of the aforesaid rights and powers, the Government, the Director, his officers, contractors and any other persons authorized by him, his or their workmen shall have no liability in respect of any loss, damage, nuisance or disturbance whatsoever caused to or suffered by the Grantee arising out of or incidental to the exercise of the rights conferred under this sub-clause, and no claim nor objection shall be made against him or them by the Grantee.

Preservation of trees

(19) No trees growing on the lot or adjacent thereto shall be interfered with without the prior written consent of the Director who may, in granting consent, impose such conditions as to transplanting, compensatory landscaping or replanting as he may deem appropriate.

Master Landscape Proposal

(20) (a) The Grantee shall submit or cause to be submitted to the Director for his approval master landscape proposal (hereinafter referred to as the Master Submission") indicating landscape treatment for the lot.

(b) The Master Submission shall be at a scale of 1:500 or larger and shall provide basic information on the landscaping proposals including, a survey and treatment of existing trees, site layout and formation levels, conceptual form of building development, illustrative layout of hard and soft landscape area and such other information as the Director may require. No superstructure work (except such railway related works or works associated with the KCRC Complex as the Director may approve in writing) shall be commenced on the lot or any part thereof until the said submission has been approved in writing by the Director.

(c) Upon development or redevelopment of the lot, the Grantee shall landscape the lot in accordance with the Master Submission as approved and no amendment, variation, alteration, modification or substitution shall be made without the prior written consent of the Director.

(d) The Grantee shall thereafter keep and maintain the landscape works in a safe, clean, neat, tidy, functional and healthy condition all to the satisfaction of the Director.

No advertising

(21) The Grantee shall not exhibit, display or allow or suffer to be exhibited or displayed on the external parts of any building or structure erected or to be erected on the lot any bill, notice, placard, poster, sign or advertisement whatsoever without the prior written consent of the Director. In the event that any such sign shall be so erected without the consent as aforesaid, the Director shall be at liberty to remove any or all of such signs at his sole discretion and shall be permitted to enter upon the lot for the purpose of so doing and no compensation whatsoever shall be payable to the Grantee or the owner of such signs. The Grantee shall pay to the Government on demand a sum equal to the cost of such removal, such sum to be determined by the Director whose determination shall be final and binding upon the Grantee.

Provision of sales office and show flats

(22) Notwithstanding the maximum gross floor area permitted under Special Condition No. (10) hereof, the Grantee may erect on part or parts of the lot separate temporary structures for the purposes of a sales office and show flats and related marketing activities to facilitate the sale of the building or buildings or any part or parts thereof erected or to be erected on the lot in accordance with these Conditions, provided that the scale and period of operation of such sales office and show flats and related marketing activities shall be subject to the prior written approval of the Director and such other terms and conditions as the Director shall in his absolute discretion see fit to impose.

Recreational facilities

(23) (a) The Grantee may erect, construct and provide within the lot such recreational facilities and facilities ancillary thereto (hereinafter referred to as "the Facilities") as may be approved in writing by the Director. The type, size, design, height and disposition of the Facilities shall also be subject to the prior written approval of the Director.

(b) The Facilities provided in accordance with sub-clause (a) of this Special Condition shall only be used by any one or more residents of the residential block or blocks erected or to be erected within the lot and their bona fide visitors and by no other person or persons whatsoever.

(c) For the purpose of calculating the respective total gross floor areas stipulated in Special Condition No. (10) hereof, any part of the Facilities provided within the lot in accordance with sub-clause (a) of this Special Condition which are for the common use and benefit of all the owners for the time being of the lot shall not be taken into account. The remaining part of the Facilities which are not for such use shall be taken into account for the relevant calculations.

(d) In the event that any part of the Facilities is exempted from the gross floor area calculation pursuant to sub-clause (c) of this Special Condition:

(i) such part of the Facilities shall be designated as and shall form part of the Common Areas referred to in Special Condition No. (50)(e)(v) hereof; and

(ii) the Grantee shall at his own expense maintain such part of the Facilities in good and substantial repair and condition and shall operate such part of the Facilities to the satisfaction of the Director.

Office accommodation for
watchmen and caretakers

(24) (a) Office accommodation for watchmen or caretakers or both may be provided within the lot subject to the following conditions:

- (i) such accommodation is in the opinion of the Director essential to the safety, security and good management of the residential building or buildings erected or to be erected on the lot;
- (ii) such accommodation shall not be used for any purpose other than office accommodation for watchmen, caretakers or both, who are wholly and necessarily employed on the lot; and
- (iii) the location of any such accommodation shall first be approved in writing by the Director.

(b) For the purpose of calculating the respective total gross floor areas stipulated in Special Condition No. (10) hereof, office accommodation provided within the lot in accordance with sub-clause (a) of this Special Condition which does not exceed 5 square metres for every 50 residential units or part thereof erected or to be erected on the lot, or 5 square metres for every block of residential units erected or to be erected on the lot, whichever calculation provides the greater amount of such accommodation, shall not be taken into account. Any gross floor area in excess of the said greater floor area shall be taken into account for the relevant calculations.

(c) Office accommodation provided within the lot in accordance with sub-clause (a) of this Special Condition shall be designated as and shall form part of the Common Areas referred to in Special Condition No. (50)(a)(v) hereof.

Quarters for watchmen and
caretakers

(25) (a) Quarters for watchmen or caretakers or both may be provided within the lot subject to the following conditions:

- (i) such quarters shall be located in one of the blocks of residential units erected on the lot or in such other location as may be approved in writing by the Director;
- (ii) such quarters shall be provided with self-contained toilet, showering, washing and kitchen facilities; and
- (iii) such quarters shall not be used for any purpose other than the residential accommodation of watchmen or caretakers or both, who are wholly and necessarily employed within the lot.

(b) For the purpose of calculating the respective total gross floor areas stipulated in Special Condition No. (10) hereof, quarters provided within the lot in accordance with sub-clause (a) of this Special Condition with a total gross floor area of not exceeding 25 square metres shall not be taken into account. Any gross floor area in excess of 25 square metres shall be taken into account for the relevant calculations.

(c) Quarters for watchmen or caretakers or both provided within the lot in accordance with sub-clause (a) of this Special Condition shall be designated as and shall form part of the Common Areas referred to in Special Condition No. (50)(a)(v) hereof.

Owners' Corporation/
Owners' Committee Office

(26) (a) One office for the use of the Owners' Corporation or the Owners' Committee may be provided within the lot provided that:

- (i) such office shall not be used for any purpose other than for meetings and administrative work of the Owners' Corporation or Owners' Committee formed or to be formed

in respect of the lot and the buildings erected or to be erected thereon; and

(ii) the location of any such office shall first be approved in writing by the Director.

(b) For the purpose of calculating the respective total gross floor areas stipulated in Special Condition No. (10) hereof, office provided within the lot in accordance with sub-clause (a) of this Special Condition which does not exceed 20 square metres shall not be taken into account. Any gross floor area in excess of 20 square metres shall be taken into account for the relevant calculations.

(c) An office provided in accordance with sub-clause (a) of this Special Condition shall be designated as and shall form part of the Common Areas referred to in Special Condition No. (50)(a)(v) hereof.

Open space

(27) The Grantee shall at his own expense and to the satisfaction of the Director provide and thereafter maintain on the elevated building platform areas of open space of not less than 10 400 square metres which shall not be used for any purpose other than recreational purposes for the proper use and enjoyment by the residents and occupants of the Residential Development on the lot and their bona fide guests or visitors. The said open space shall be located, formed, serviced, landscaped, planted, treated and provided with such equipment and facilities as the Director may require and in all respects to his satisfaction.

Refuse collection system

(28) The Grantee shall at his own expense provide and maintain, within the lot, facilities for a comprehensive refuse collection system to the satisfaction of the Director of Food and Environmental Hygiene.

24 hour covered pedestrian walkway

(29) (a) The Grantee shall on or before the 30th day of September 2008 at his own expense and in all respects to the satisfaction of the Director lay, form, provide, construct and surface within the areas shown coloured pink hatched black hatched red, pink hatched black stippled black and pink stippled black on Plan I annexed hereto at such levels and positions, in such manner, with such materials and at or to such standards alignment and design as the Director may require or approve a covered pedestrian walkway with a width not less than 3.0 metres together with such escalators, stairways, lifts for the disabled, internal and external fittings and fixtures, and lighting fittings as the Director shall in his sole discretion require (hereinafter collectively referred to as "the Passage Areas") to link up with the Public Roads, the Reserved Area and the Pedestrian Footbridge referred to in Special Condition Nos. (30) and (31) hereof.

Taxi and bus lay-bys

(b) The Grantee shall within such time limit as shall be specified by the Director at his own expense and in all respects to the satisfaction of the Director lay, form, provide, construct and surface within the areas shown coloured pink hatched red and pink hatched black hatched red on Plan I annexed hereto at such level and positions, in such manner, with such materials and at or to such standards, alignment and design as the Director may require or approve lay-bys for the picking up and setting down of passengers from taxis and buses on or from the Public Roads (hereinafter referred to as "the said lay-bys").

(c) The Grantee shall throughout the whole term hereby agreed to be granted at his own expense manage and maintain in good and substantial condition and repair to the satisfaction of the Director the Passage Areas and the said lay-bys.

(d) The Grantee shall throughout the whole term hereby agreed to be granted :

(i) keep the said lay-bys open for the picking up and setting down of passengers from taxis and buses on or from the Public Roads free of charge 24 hours a day (or otherwise at

such hours and days as the Director may at his absolute discretion and from time to time decide) subject to such conditions (if any) as the Director may at his absolute discretion and from time to time require and

- (ii) keep the Passage Areas and the said lay-bys open for use by the public 24 hours a day free of charge including for avoidance of doubt the use of the same by the public for gaining access without any interruption to and from the Public Roads, the Reserved Area and the Pedestrian Footbridge referred to in Special Condition Nos. (30) and (31) hereof.

Non-fulfilment

(e) In the event of the non-fulfilment of the Grantee's obligation under sub-clauses (a) to (d) of this Special Condition within the said time limit specified by the Director the Government may carry out the necessary construction or maintenance works at the cost of the Grantee who shall pay to the Government on demand a sum equal to the cost thereof, such sum to be determined by the Director whose determination shall be final and binding upon the Grantee. For the purpose of carrying out the works aforesaid, the Government, its officers, agents, contractors, workmen or other duly authorized personnel shall have free and uninterrupted right at all reasonable times to enter into the lot or any part thereof and any building or buildings erected or to be erected thereon.

No dedication

(f) It is hereby expressly agreed, declared and provided that by imposing the obligation on the part of the Grantee contained in sub-clause (d) of this Special Condition, under this Agreement or otherwise the Grantee does not intend to dedicate nor does the Government consent to any dedication of the Passage Areas and the said lay-bys to the public for the right of passage.

Concession under Building (Planning) Regulation etc.

(g) It is expressly agreed and declared that the obligation on the part of the Grantee contained in sub-clause (d) of this Special Condition will give rise to no expectation of, or claim for or in respect of, any concession or right in respect of additional site coverage or plot ratio whether under Regulation 22(1) of the Building (Planning) Regulations, any amendment thereto, substitution therefor, or under this Agreement or otherwise and for the avoidance of doubt the Grantee expressly waives any and all claims in respect of or for any concession in respect of, or right to, additional site coverage or plot ratio under Regulation 22(1) of the Building (Planning) Regulations, any amendment thereto or substitution therefor or otherwise under the Buildings Ordinance and Regulations.

Exemption from GFA

(h) The Director may at his sole discretion decide the whole of the areas for the Passage Areas and the said lay-bys or any part thereof that may be excluded from the calculation of the respective total gross floor areas specified in Special Condition No. (10) hereof.

Exception and Reservation for Pedestrian Footbridge and existing footbridge portion

- (30) (a) There are excepted and reserved unto the Government :
- (i) for the purpose of a pedestrian footbridge the portion of airspace above the surface of the lot which airspace traverses over the areas shown coloured pink crossed hatched black on Plan I annexed hereto between the levels of 16.90 metres and 21.70 metres above the Hong Kong Principal Datum subject to such variation of the said levels as the Director may in his absolute discretion determine provided that the Director may not vary the said levels after the issue by the Director of a letter indicating that these Conditions have been complied with to his satisfaction (such portion of the airspace being hereinafter referred to as "the Reserved Area"); and
 - (ii) all that portion of the existing footbridge linking Sha Tin Town Lot No. 87 to Sha Tin Race Course which portion

traverses over the area shown coloured pink stippled red on Plan I annexed hereto between the levels of 15.1 metres and 20.0 metres above the Hong Kong Principal Datum and its supporting columns and structures within the lot (such portion of the existing footbridge and its supporting columns and structures within the lot and the airspace above the lot occupied thereby between the said levels being hereinafter referred to as "the Footbridge Portion" which expression shall for the purpose of these Conditions include any subsequent alteration thereto or renewal or replacement thereof).

(b) The Grantee shall have no rights, title, ownership, possession or use of the Reserved Area and the Footbridge Portion except as may be provided for in these Conditions and shall not do or permit or suffer anything to be done that may damage, interfere with or obstruct the Footbridge Portion or the Reserved Area or the Pedestrian Footbridge (as defined in Special Condition No. (31) hereof) or other structures erected or to be erected within the Reserved Area.

(c) Neither the Grantee nor any other person shall make any objection or have any right or claim to compensation against the Government whatsoever whether under any enactment or otherwise in respect of the exceptions and reservations under sub-clause (a) of this Special Condition or for any liabilities, loss, damages, claims, costs, actions, demands and proceedings of whatsoever nature howsoever caused arising out of or as a consequence of the use of the Reserved Area as a pedestrian footbridge for public pedestrian traffic or otherwise or the use of the Footbridge Portion for public pedestrian traffic or otherwise provided that for avoidance of doubt, nothing herein shall be construed as constituting or creating any obligation whatsoever by or on the part of the Government towards the Grantee or any persons to use or designate the Reserved Area or the Pedestrian Footbridge (as defined in Special Condition No. (31) hereof) or the Footbridge Portion for public pedestrian traffic.

Construction of Pedestrian
Footbridge

(31) (a) The Grantee shall

- (i) on or before the 30th day of September 2008 at his own expense and in all respects to the satisfaction of the Director erect, construct and provide, in a good workmanlike manner with such materials and at such level, standards and design as the Director may in his absolute discretion require and in accordance with the plans approved under Special Condition No. (35)(a) hereof, a single-storey covered footbridge with a minimum internal clear width of 3 metres and a minimum clear headroom of 2.5 metres together with such connections, supports, openings and landings within the Reserved Area, to link up with the Passage Areas and Sha Tin Town Lot No. 87 at the points X1 and Y1 as shown and marked on Plan I annexed hereto or at such points as the Director may approve, so that free and uninterrupted pedestrian traffic by, over and along such footbridge from the Passage Areas to Sha Tin Town Lot No. 87 and vice versa can, if the Director may in his absolute discretion deem fit, be maintained at all times (such footbridge (including such lighting fixtures, ventilation plant, extract ductworks, structures, services, furniture, plant, equipment and facilities as the Director may require or approve to be constructed, installed and provided within the Reserved Area) together with any other areas, facilities, services and installations exclusive thereto as the Director may in his absolute discretion determine (whose determination shall be conclusive and binding on the Grantee) being hereinafter collectively referred to as "the Pedestrian Footbridge") and

- (ii) maintain at his own expense to the satisfaction of the Director the Reserved Area together with all structures, services, furniture, plant, equipment and facilities constructed, installed and provided thereon or therein (including the Pedestrian Footbridge) until such time as possession of the same has been delivered or re-delivered to the Government in accordance with Special Condition No.(32) hereof but without prejudice to Special Condition No. (42) hereof.

(b) The Grantee shall on or before the 30th day of September 2008 at his own expense and in all respects to the satisfaction of the Director :

Connection, modification and alteration works to connect with Sha Tin Town Lot No. 87

- (i) carry out and complete all necessary building, connection and other works to connect the Pedestrian Footbridge to the buildings erected on Sha Tin Town Lot No. 87 (hereinafter referred to as "the said adjoining buildings") between points X1 and Y1 as shown on Plan I annexed hereto (or such other points as the Director may require or approve) and at such level, in such manner, with such materials and to such standard and design as the Director shall require or approve and such that all structural supports for the Pedestrian Footbridge shall rest and be situated entirely within the lot, including but not limited to the removal or demolition of such parts of the walls or structures of the said adjoining buildings and such other modification or alteration or works to or at such parts of the said adjoining buildings as the Director may require or approve to receive or connect to the Pedestrian Footbridge, so as to ensure a covered pedestrian link is provided between the existing walkway of the said adjoining buildings as shown coloured grey on Plan I annexed hereto (hereinafter referred to as "the said existing walkway") and the Pedestrian Footbridge; and

- (ii) thereafter carry out such reinstatement works as may be necessary including such reinstatement works as the Director may in his absolute discretion required to be carried out to the Pedestrian Footbridge and the said adjoining buildings which may be affected by the works under sub-clause (b)(i) of this Special Condition.

The building, connection, modification, alteration, reinstatement and other works as required to be carried out under this sub-clause (b) are hereinafter referred to as "the said connection works".

Possession of the Reserved Area

- (32) For the purpose only of carrying out the necessary works specified in Special Condition No. (31) hereof, the Grantee shall on the date of this Agreement be granted possession of the Reserved Area. The Reserved Area and the Pedestrian Footbridge and the said connection works or such part or parts thereof as may be required by the Government shall be delivered or re-delivered to the Government on demand and in any event the Reserved Area, the Pedestrian Footbridge and the said connection works shall be deemed to have been delivered or re-delivered to the Government by the Grantee on the date of a letter from the Director indicating that these Conditions have been complied with to his satisfaction.

Restriction on use of the Reserved Area

- (33) The Grantee shall not without the prior written consent of the Director use the Reserved Area for the purpose of storage or for the erection of any temporary structure other than the carrying out of works specified in Special Condition No. (31) hereof.

Access to the Reserved Area for inspection

- (34) The Grantee shall at all reasonable times while he is in possession of the Reserved Area permit the Director, his officers, contractors and any other persons authorized by him, the right of ingress, egress and regress to, from and

through the lot and the Reserved Area for the purpose of inspecting, checking and supervising any works to be carried out in compliance with Special Condition No. (31) hereof and the carrying out, inspecting, checking and supervising of any other works which the Director may consider necessary in the Reserved Area.

Plans of
Pedestrian Footbridge and
connection works

- (35) (a) (i) The Grantee shall submit or cause to be submitted to the Director for his written approval plans of the Pedestrian Footbridge and the said connection works which shall include details as to the levels, positions and design of the Pedestrian Footbridge and the said connection works and any other details as the Director may require (hereinafter referred to as "the Footbridge and Connection Plans").
- (ii) Upon approval being given to the Footbridge and Connection Plans, no amendment, variation, alteration, modification or substitution thereto shall be made by the Grantee except with the prior written approval of the Director or except as required by the Director.
- (iii) The Footbridge and Connection Plans approved under this sub-clause (a) shall be deemed to incorporate any amendment, variation, alteration, modification or substitution subsequently approved or required by the Director.
- (iv) The Grantee shall be responsible for obtaining any necessary approval of the Building Authority to the Construction Works or any part thereof under the Buildings Ordinance and any regulations made thereunder.

No building
works, etc.

(b) No building works (other than site formation works, construction of the elevated building platform and such railway related works or works associated with the KCRC Complex as the Director may approve in writing) shall commence on the lot until the Footbridge and Connection Plans shall have been approved by the Director under sub-clause (a) of this Special Condition.

Gross floor
area
exemption

(36) The gross floor area of the Pedestrian Footbridge to be erected, constructed and provided under Special Condition No. (31) hereof shall not be taken into account for the purpose of calculating the respective total gross floor areas stipulated in Special Condition No. (10) hereof. For the purpose of these Conditions, the gross floor area of the Pedestrian Footbridge shall be as determined by the Director whose determination in this respect shall be final and binding upon the Grantee.

Monitoring of
construction of
Pedestrian Footbridge
and connection works

(37) (a) The Director shall have the right in his absolute discretion to nominate officers of the Highways Department (hereinafter referred to as "the Highways Officers") who shall generally oversee the design, construction, provision and completion of the Pedestrian Footbridge and the said connection works and shall monitor the construction, provision and completion of the Pedestrian Footbridge and the said connection works (hereinafter collectively referred to as "the Construction Works") in order to ensure that the Construction Works are carried out in accordance with these Conditions.

(b) The Grantee shall notify the Highways Officers of any condition, restriction, requirement and information affecting or relating to the Pedestrian Footbridge or any part thereof or the Construction Works or any part thereof forthwith upon the same becoming known to the Grantee, his servants, agents, contractors and workmen and shall make available all drawings, site records, notices, letters, certificates, approvals and information and render all necessary assistance and co-operation to the Highways Officers when required by the Highways Officers.

(c) The Government and the Director accept no responsibility or liability for any costs, claims, demands, charges, damages, actions or proceedings of whatsoever nature arising out of or in connection with the exercise by the Highways Officers of the authority conferred under sub-clause (a) of this Special Condition.

Not to cause damage to adjoining buildings etc.

(38) In carrying out the Construction Works, the Grantee, his servants, agents, contractors and workmen shall not cause any damage to the said adjoining buildings or any danger or injury to the owners or occupiers thereof and shall exercise due care and take all necessary steps, measures and precautions to the satisfaction of the Director so as to avoid any such damage, danger or injury and so as to avoid or minimize any nuisance, disturbance and annoyance to the owners and occupiers of the said adjoining buildings and any interruption or obstruction to the pedestrian traffic over and along the said existing walkway and shall comply with and observe all instructions and directions, if any, which may be given by the Director in connection with the carrying out of the Construction Works.

Indemnify Government against liabilities etc.

(39) The Grantee shall be responsible and answerable for and shall indemnify and keep indemnified the Government, its officers, agents, contractors, workmen or other duly authorized personnel from and against all liabilities, costs, expenses, claims, actions, demands and proceedings of whatsoever nature arising out of or in connection with the Construction Works or any part thereof (including but not limited to all liabilities, costs, expenses, claims, actions, demands and proceedings in respect of any loss, damage, death or injury caused by the Grantee, its officers, agents, contractors, workmen or other persons authorized by it or them to the owners and occupiers of the said adjoining buildings or any other person) or any failure to comply with Special Condition No. (38) hereof.

Certificate of completion in respect of Pedestrian Footbridge

(40) (a) Within 14 days after completion of the Pedestrian Footbridge and the said connection works or such part thereof, the Grantee shall deliver to the Director a certificate by an authorized person (as defined in the Buildings Ordinance) employed by the Grantee for the development of the lot that the Pedestrian Footbridge and the said connection works or such part thereof has been completed in accordance with these Conditions.

(b) Where in the opinion of the Director (whose decision in this respect shall be final and binding upon the Grantee) the Pedestrian Footbridge and the said connection works have been completed and made fit for occupation and operation to his satisfaction, the Director shall issue to the Grantee a certificate of completion to that effect Provided that the Director may in his absolute discretion issue a certificate of completion in respect of a part of the Pedestrian Footbridge and the said connection works which the Director considers to have been completed and made fit for occupation and operation to his satisfaction.

(c) Notwithstanding the issue of any certificate of completion by the Director, the Grantee shall not be absolved from any of his liabilities under Special Condition Nos. (39) and (42) hereof nor any other obligations remaining to be observed and performed by him under these Conditions.

Consideration for Pedestrian Footbridge

(41) (a) In consideration of the completion by the Grantee of the Pedestrian Footbridge and the said connection works in accordance with these Conditions and the delivery of the same to the Government in accordance with these Conditions, the Director shall pay to the Grantee in one lump sum a sum of HK\$ 13,000,000 or a sum equal to the actual cost of construction of the same to be determined by the Director having regard to the statement submitted in accordance with sub-clause (b) of this Special Condition, whichever is the lesser.

(b) As soon as practicable and in any event within 30 days of being called upon so to do by the Director, the Grantee shall submit or cause to

be submitted to the Director for his verification and approval a written statement (hereinafter referred to as "the Statement"), duly certified by an authorized person (as defined in the Buildings Ordinance) employed by the Grantee for the development of the lot, specifying the monies expended by the Grantee solely towards the erection, construction, provision and carrying out in accordance with these Conditions of the Pedestrian Footbridge and the said connection works or any part thereof in respect of which a certificate of completion shall have been issued under Special Condition No.(40) hereof (including (if any) all professional fees, costs, supervisory, overhead and any other charges which may be incurred by the Grantee arising out of or in connection with the execution of works and the supply of materials relating solely thereto).

(c) The Director shall have the absolute and unfettered right to determine whether any of the monies specified in the Statement should form part of the actual cost of construction referred to in sub-clause (a) of this Special Condition and to call upon the Grantee to amplify in writing any details contained in the Statement and to require the Grantee to provide any supporting documents as the Director shall consider necessary. The decision of the Director as to the actual cost of construction shall be final and binding upon the Grantee.

Defects
liability

(42) (a) The Grantee shall indemnify and keep indemnified the Government against all claims, costs, demands, charges, damages, actions and proceedings of whatsoever nature arising out of or in connection with any defects, wants of repair, imperfections, breakdown, faults or any other outstanding works (whether in respect of workmanship, material, design or otherwise) in the Pedestrian Footbridge and the said connection works and in the building services installations therefor -

(i) which may exist at the respective dates of delivery of possession by the Grantee of the Pedestrian Footbridge and the said connection works; and

(ii) which shall occur or become apparent within a period of 365 days after the date when the whole of the Pedestrian Footbridge and the said connection works shall have been completed and possession of the same shall have been delivered by the Grantee to the Government in accordance with these Conditions (hereinafter referred to as "Defects Liability Period").

(b) Whenever required by the Director, the Grantee shall at his own expense and within such time and to such standard and in such manner as may be specified by the Director carry out all works of maintenance, repair, amendment, reconstruction and rectification and any other works as may be necessary to remedy and rectify any defects, wants of repair, imperfections, breakdown, faults or any other outstanding works in the Pedestrian Footbridge and the said connection works or any part thereof and the building services installations therefor which shall occur or become apparent within the Defects Liability Period. In addition to the foregoing, the Grantee shall at his own expense and within such time and to such standard and in such manner as may be specified by the Director make good and rectify any defects, wants of repair, imperfections, breakdown, faults or any other outstanding works in the Pedestrian Footbridge and the said connection works or any part thereof and the building services installations therefor which may exist at the respective dates of delivery of possession thereof by the Grantee.

(c) The Director will, shortly before the expiry of the Defects Liability Period, cause an inspection to be carried out in respect of the relevant part of the Pedestrian Footbridge and the said connection works and the building services installations therefor for the purpose of identifying any defects, wants of repair, imperfections, breakdown, faults or any other

outstanding works which may be evident. The Director reserve the right to serve upon the Grantee within 14 days after the expiry of the Defects Liability Period a Schedule or Schedules of Defects specifying any defects, wants of repair, imperfections, breakdown, faults or any other outstanding works which may be evident in the relevant part of the Pedestrian Footbridge and the said connection works and the building services installations therefor and the Grantee shall at his own expense cause all necessary works to be carried out so as to remedy and rectify the same within such time and to such standard and in such manner as may be specified by the Director.

(d) If the Grantee shall fail to carry out any of the works referred to in sub-clauses (b) and (c) of this Special Condition, then any such works may be carried out by the Government and all costs and charges incurred in connection therewith by the Government as certified by the Director (whose decision shall be final and binding upon the Grantee) together with a sum equivalent to 20 per centum of the costs and charges involved as an administrative fee shall on demand be paid by the Grantee provided that the Government shall be entitled to deduct from any of the money deposited with the Government under sub-clause (e) of this Special Condition the costs charges and fees due and owing by the Grantee to the Government under this sub-clause (d) and in the event of the security money being insufficient to cover all costs charges and fees due and owing by the Grantee the deficit shall be paid by the Grantee on demand.

(e) The Grantee shall contemporaneously with the re-delivery of the Reserved Area and the Pedestrian Footbridge and the said connection works or any part thereof as provided for in Special Condition No. (32) hereof, deposit with the Government a sum of HK\$ 195,000 (hereinafter referred to as "the security money"). Subject to the proviso to sub-clause (d) of this Special Condition, the security money shall become due to the Grantee upon the expiry of such Defects Liability Period as relating to the Pedestrian Footbridge and the said connection works and the Grantee satisfactorily carrying out all works of maintenance, repair, amendment, reconstruction and rectification and any other outstanding works as are required by the Director (it being expressly declared and agreed that no interest in respect of the security money or any part thereof will be payable).

(f) For the purpose of this Special Condition only, the expression "Grantee" shall exclude his assigns but shall include the assignee under Special Condition No. (52) hereof.

Supply of documents, etc.

(43) The Grantee shall, at his own expense and as soon as practicable but no later than 8 weeks from the respective dates of delivery of possession by the Grantee of the Pedestrian Footbridge and the said connection works, provide to the Director all documents, drawings and materials relating thereto in accordance with the requirement under Special Condition No. (35) hereof.

Maintenance of External finishes and structure of walls, etc

(44) (a) The Grantee shall throughout the term hereby agreed to be granted at his own expense and in all respects to the satisfaction of the Director maintain the following items (hereinafter referred to as "the Items") :-

- (i) the structure of all walls, columns, beams, ceilings, roof slabs, floor slabs and any other structural elements around, above and below the Pedestrian Footbridge;
- (ii) all building services installations, plant and equipment (including but not limited to portable and non-portable fire services installation equipment) forming part of the system serving the Pedestrian Footbridge and the remainder of the development on the lot;

(iii) all other parts and facilities serving the Pedestrian Footbridge and the remainder of the development on the lot.

(b) The Grantee shall indemnify and keep indemnified the Government against all liabilities, damages, expenses, claims, costs, demands, charges, actions and proceedings of whatsoever nature arising out of or as a consequence of the failure of the Grantee to maintain the Items.

Rights of support, passage of gas, right of way etc.

(45) There are excepted and reserved unto the Government free of costs and charges the following rights :

(a) all rights of shelter, support and protection from and connection to the lot and the buildings and structures erected or to be erected thereon for the Footbridge Portion, the Reserved Area and the Pedestrian Footbridge and any other structures erected or to be erected within the Reserved Area; and

(b) the right of free passage of gas, electricity, water, drainage, or other effluent air, telephone lines and other services to and from the Footbridge Portion and the Reserved Area and any part or parts thereof through any gutters, pipes, wires, cables, sewers, drains, ducts, flues, conduits and watercourses and other conducting media laid or to be laid or running along, through, over, upon, under or in the lot or any building structures and erections thereon or any part or parts thereof and the right at any time to alter, divert, vary, relay or reinstate any of such services serving exclusively the Footbridge Portion and the Reserved Area or any part thereof; and

(c) the right of free ingress, egress and regress to, from and through the lot and any buildings or structures erected or to be erected thereon for the Government, his officers, servants, agents, contractor and its or their workmen and any other persons authorized by it or them at all times with or without tools, vehicles or equipment for the purposes of the use, enjoyment and operation of or the inspection, construction, maintenance, repair, alteration, renewal or replacement of or the exercise of any other rights of the Government in respect of or the carrying out of any other works in respect of the Footbridge Portion, the Reserved Area and the Pedestrian Footbridge and any other structures erected or to be erected within the Reserved Area; the Government, its officers, servants, agents, contractors, its or their workmen and other persons authorized by it or them shall have no liability in respect of any loss, damage, nuisance or disturbance whatsoever caused to or suffered by the Grantee arising out of or incidental to the exercise by him or them of the right of ingress, egress and regress conferred under this Special Condition, and no claim shall be made against him or them by the Grantee in respect of any such loss, damage, nuisance or disturbance; and

(d) such rights of way to and from the Footbridge Portion and the Reserved Area and other rights, privileges and easements as may be deemed necessary or desirable by the Director.

No exempt building

(46) No building shall be erected on the lot of a type which by virtue of the Buildings Ordinance (Application to the New Territories) Ordinance and any regulations made thereunder is exempted from the provisions of the Buildings Ordinance and any regulations made thereunder.

Allocation of shares (the KCRC Complex)

(47) (a) The Grantee shall allocate and distribute to the KCRC Complex in the form of undivided shares of and in the lot such proportion (being in any event not less than 1%) of the entire share and interest in the lot as the Director shall think fit (such undivided shares of and in the lot allocated to the KCRC Complex being hereinafter referred to as "the KCRC Undivided Shares").

No alienation of the KCRC Complex

(b) Notwithstanding anything herein contained, the Grantee shall not assign, mortgage, charge, demise, underlet or part with possession of the KCRC Complex or any part thereof or any interest therein or the KCRC

Undivided Shares or enter into any agreement so to do Provided that the foregoing provision of this sub-clause (b) shall not apply to any underletting by the Grantee of or the entering into of any agreement by the Grantee for underletting any part of the KCRC Complex for a term not exceeding three years.

Restriction on alienation before compliance

(48) Prior to compliance with these Conditions in all respects to the satisfaction of the Director the Grantee shall not except with the prior written consent of the Director and in conformity with any conditions imposed by him (including the payment of such fees as may be required by him):

- (a) assign, underlet or part with possession of or otherwise dispose of the lot or any part thereof or any interest therein or any building or part of any building thereon (whether by way of direct or indirect reservation, the grant of any right of first refusal, option or power of attorney, or any other method, arrangement or document of any description) or enter into any agreement so to do;
- (b) solicit or accept, whether directly or indirectly or through a solicitor, agent, contractor or trustee or through a company in which the Grantee or its nominee is directly or indirectly the owner of shares or which is the owner of shares in the Grantee or otherwise, any money, money's worth or other valuable consideration of any description pursuant to any transaction, present or future, conditional or unconditional whereby the lot or any part thereof or any interest therein or any building or part of any building thereon is or may be sold, assigned, underlet or otherwise disposed of or affected, or enter into any agreement so to do; or
- (c) mortgage or charge the lot or any part thereof or any interest therein except for the purpose of the development thereof in accordance with these Conditions and then only by way of a building mortgage, it being agreed that for this purpose a building mortgage shall be one:
 - (i) whereby the lot (except the KCRC Complex and the KCRC Undivided Shares) is mortgaged or charged in favour of a licensed bank or a registered deposit-taking company authorized under section 16 of the Banking Ordinance to secure monies (and interest thereon) advanced or to be advanced to the Grantee for the purpose only of developing the lot in accordance with these Conditions and for the payment of legal and other professional fees in connection with such development and the mortgage (provided that such fees do not, in the aggregate, exceed 5% of the total amount secured by the mortgage), and for no other purpose;
 - (ii) under which such advances (in the case of work done) are to be made to the Grantee only in amounts to be certified from time to time by the Authorized Person (appointed by the Grantee under the Buildings Ordinance for the development of the lot) as having been incurred by the Grantee for the development of the lot; and
 - (iii) under which the mortgagee is obliged to release any share or interest in the lot from the mortgage unconditionally upon receipt of a sum representing the total purchase price under an agreement for sale and purchase approved by the Director in respect of that share or interest in the lot.

Registration

(49) Every assignment, mortgage, charge, underletting for more than three years or other alienation of the lot or any part thereof or any interest therein shall be registered at the Sha Tin New Territories Land Registry.

(50) (a) Notwithstanding that these Conditions shall have been observed and complied with to the satisfaction of the Director, the Grantee shall not assign, mortgage, charge or part with the possession of or otherwise dispose of the lot or any part thereof or any interest therein or enter into any agreement so to do except by way of an assignment or other disposal of undivided shares in the whole of the lot together with the right to the exclusive use and occupation of individual floors and units in any building or buildings erected thereon and even then such assignment or other disposal shall be subject to the following conditions :

- (i) the Grantee must first submit to and obtain the approval in writing of the Director to a Deed of Mutual Covenant incorporating a Management Agreement (if any) (hereinafter referred to as "the DMC") to be entered into between the Grantee and the assignees from him of undivided shares in the whole of the lot;
- (ii) the DMC must be in a form and contain the provisions which the Director shall approve or require and it (and any approved amendment or amendments to it) must be registered by Memorial against the lot in the Sha Tin New Territories Land Registry;
- (iii) the Grantee must comply with the approved terms and conditions of the DMC. No amendment thereto may be made without the prior written consent of the Director and the payment of such fees as might be required;
- (iv) every assignment or other disposal of an undivided share or shares in the lot shall be subject to and with the benefit of the DMC;
- (v) in the DMC the Grantee must allocate to those parts of the lot which comprise the common areas or amenities for the common use and benefit of owners for the time being of the lot (hereinafter referred to as "the Common Areas") a number of undivided shares in the lot which in the opinion of the Director is appropriate;
- (vi) the DMC shall contain provisions for and relating to the contribution and sharing of the costs for upholding, maintaining, repairing and altering the Paved Way as required under Special Condition No.(18)(c) & (d) hereof by and among owners of undivided shares in the lot, and, if required by the Director in his absolute discretion, provisions for contribution to such costs by Kowloon-Canton Railway Corporation for its use of the Paved Way, in such manner and proportion as the Director may require or approve.; for the avoidance of doubt, nothing in this sub-clause (a)(vi) or the DMC provisions referred to in this sub-clause (a)(vi) (if required to be incorporated) shall in any way prejudice the provisions of Special Condition No. (18)(c) & (d) hereof and the obligations and liabilities of the Grantee thereunder shall not in any way be released, extinguished, diminished or reduced;
- (vii) the Grantee may not assign, mortgage or charge (except by building mortgage or charge under Special Condition No. (48)(c) hereof) or otherwise dispose of or part with the possession of any undivided shares allocated to the Common Areas or any interest therein or enter into any agreement so to do except that upon execution of the DMC the whole of the said undivided shares in the

Common Areas shall be assigned to and vested in the manager appointed in accordance with the DMC who must hold the said undivided shares on trust for the benefit of all owners for the time being of undivided shares in the lot;

- (viii) the DMC must provide that, subject to sub-clause (ix) hereof, on termination of the manager's appointment the manager must assign the said undivided shares free of costs or consideration to its successor in office;
 - (ix) if an Owners' Corporation is formed under the Building Management Ordinance (Cap. 344), it may require the manager, in accordance with the DMC to assign the undivided shares in the Common Areas and transfer the management responsibilities to it free of costs or consideration, in which event, the said Owners' Corporation must hold them on trust for the benefit of all owners for the time being of undivided shares in the lot.
- (b) Sub-clause (a) of this Special Condition shall not apply to :
- (i) an assignment, underletting, mortgage or charge of the lot as a whole; or
 - (ii) an underletting of a part of the building erected thereon.

Restriction on partitioning

(51) The Grantee shall not, without the prior written consent of the Director, partition the lot or any part thereof in any manner whatsoever other than by way of division of the lot (or any part of the lot that has already been partitioned with the Director's prior written consent) into undivided shares. Where the lot has been partitioned with such consent, the provisions in Special Condition No. (50) hereof shall apply to each of the sections so partitioned with the references to "the lot" under the said Special Condition being replaced and substituted by the relevant section.

One assignment

(52) Notwithstanding anything to the contrary herein contained but subject to the provisions of Special Condition No. (47)(b) hereof, the Grantee (which expression shall, for the purpose of this Special Condition only, exclude his executors, administrators and assigns) may, after he has complied with Special Condition Nos. (1) and (3) hereof but before he has in all respects observed and complied with and fulfilled all of his obligations under these Conditions to the satisfaction of the Director, assign the whole of the lot (excluding the KCRC Complex and the KCRC Undivided Shares and other portions of the lot or any building, structure or facilities used for or in connection with the railway premises as defined in Section 2 of the KCRC Ordinance) but not a part thereof.

Vehicular access

(53) (a) The Grantee shall have no right of ingress or egress to or from the Non-Industrial Development for the passage of motor vehicles except via the Paved Way between the points X and Y through Z shown and marked on Plan I annexed hereto or at such other points as may be approved in writing by the Director.

Temporary access

(b) Notwithstanding the provisions of sub-clause (a) of this Special Condition, upon development or redevelopment of the lot a temporary access for construction vehicles into the lot may be permitted in such position and subject to such conditions as may be imposed by the Director.

Access to the Non-Industrial Development

(54) (a) The Grantee shall have no right of ingress and egress to and from the Non-Industrial Development for the passage of pedestrians other than at such points or points, such level or levels and under such conditions as shall be approved in writing by the Director at his sole discretion. Such ingress and egress points shall be specifically shown on the approved Master Layout Plans.

Access to the KCRC Complex

(b) The Grantee shall have no right of ingress or egress to or from the KCRC Complex for the passage of motor vehicles or pedestrians other than at such point or points as may be approved in writing by the Director at his sole discretion.

Access between the KCRC Complex and the Non-Industrial Development

(55) The KCRC Complex and the Non-Industrial Development shall be constructed and maintained at all times so that there shall be no direct internal ingress to or egress from the KCRC Complex from or to the Non-Industrial Development to be constructed on the elevated building platform for the passage of goods, vehicles or people or for any other purpose whatsoever and that there shall be complete physical separation at all times between the KCRC Complex and the Non-Industrial Development erected on the elevated building platform provided that, subject to the approval in writing of the Director and the Director of Fire Services, drainage, sewerage and service installations will be permitted to pass between the Non-Industrial Development and the KCRC Complex.

Parking requirements

(56) (a) Spaces shall be provided within the Non-Industrial Development to the satisfaction of the Director for the parking of motor vehicles :

- (i) at the rate of one space for every six residential units or part thereof in the building or buildings erected or to be erected on the lot within the Non-Industrial Development (hereinafter referred to as "the Residential Parking Spaces"); and
- (ii) at the rate of one space for every 240 square metres or part thereof of gross floor area in the building or buildings erected or to be erected on the lot within the Non-Industrial Development to be used for commercial purposes (excluding any floor area to be used for parking or loading and unloading purposes).

Each of the spaces so provided shall occupy an area of 2.5 metres in width and 5.0 metres in length with a minimum headroom of 2.4 metres. The spaces so provided shall not be used for any purpose other than for the parking of motor vehicles licensed under the Road Traffic Ordinance and belonging to the residents or occupiers of the building or buildings erected or to be erected on the lot within the Non-Industrial Development and their bona fide guests and visitors and in particular the said spaces shall not be used for the storage, display or exhibiting of motor vehicles for sale or otherwise.

Visitor parking space

(b) In addition to the spaces provided under sub-clause (a) of this Special Condition, spaces shall be provided within the Non-Industrial Development to the satisfaction of the Director for the parking of motor vehicles at the rate of five spaces for every residential block erected or to be erected on the lot within the Non-Industrial Development. Each of the spaces so provided shall occupy an area of 2.5 metres in width and 5.0 metres in length with a minimum headroom of 2.4 metres. The spaces so provided shall not be used for any purpose other than for the parking of motor vehicles licensed under the Road Traffic Ordinance and belonging to the bona fide visitors or invitees of the residents of the said building or buildings erected or to be erected on the lot within the Non-Industrial Development, and in particular the said spaces shall not be used for the storage, display or exhibiting of motor vehicles for sale or otherwise.

(c) Spaces shall be provided within the Non-Industrial Development to the satisfaction of the Director for the parking of motor cycles at the rate of five percent of the total number of parking spaces so provided under sub-clauses (a) of this Special Condition (as may be increased or reduced pursuant to sub-clause (g) of this Special Condition) and sub-clause (b) of this Special Condition provided that if the minimum number of space required to be provided at the aforesaid rate is a decimal fraction, the same shall be rounded up to the next whole number. Each of the spaces so provided

shall occupy an area of 1.0 metre in width and 2.4 metres in length with a minimum headroom of 2.3 metres. The spaces so provided shall not be used for any purpose other than for the parking of motor cycles licensed under the Road Traffic Ordinance and belonging to the residents or occupiers of the building or buildings erected or to be erected on the lot within the Non-Industrial Development and their bona fide guests and visitors.

(d) Spaces shall be provided within the Non-Industrial Development to the satisfaction of the Director for the parking of bicycles at the rate of one space for every ten residential units or part thereof in the building or buildings erected or to be erected on the lot within the Non-Industrial Development. The spaces so provided shall not be used for any purpose other than for the parking of bicycles belonging to the residents of the building or buildings erected or to be erected on the lot within the Non-Industrial Development and their bona fide guests and visitors.

Loading and unloading requirements

(e) Spaces shall be provided within the Non-Industrial Development to the satisfaction of the Director for the loading and unloading of motor vehicles :

- (i) at the rate of one space for every 800 residential units or part thereof subject to a minimum of one loading and unloading space for each residential block erected or to be erected on the lot within the Non-Industrial Development, such loading and unloading space to be located adjacent to or within each residential block; and
- (ii) at the rate of one space for every 1 000 square metres or part thereof of gross floor area in the building or buildings erected or to be erected on the lot within the Non-Industrial Development to be used for commercial purposes (excluding any floor area to be used for parking or loading and unloading purposes);

The spaces so provided shall each measure 3.5 metres x 11.0 metres with a minimum headroom of 4.1 metres. The spaces so provided shall not be used for any purpose other than for the loading and unloading of motor vehicles in connection with the said building or buildings.

(f) One space shall be provided within the Non-Industrial Development to the satisfaction of the Director for the loading and unloading of refuse collection vehicles. The space so provided shall have a minimum measurement of 12.0 metres x 5.0 metres with minimum headroom of 3.8 metres and 4.5 metres for vehicular access and loading operation respectively and shall not be used for any purpose other than for the loading and unloading of refuse collection vehicles. The space so provided shall be laid out in such a manner that on entering or leaving the lot, there shall be no reversing movement of vehicles from or onto the road abutting the lot.

Flexibility in parking provision

(g) Notwithstanding sub-clause (a) of this Special Condition, the Grantee may increase or reduce the number of spaces calculated in accordance with the said sub-clause (a) by not more than 5 percent of the number calculated in accordance with the said sub-clause (a) or 50 in number, whichever is the less.

(h) The spaces provided in accordance with sub-clauses (b), (d), (e) and (f) of this Special Condition shall be designated as and shall form part of the Common Areas referred to in Special Condition No.(50)(a)(v).

Spaces excluded from calculation of gross floor area

(i) For the purposes of calculating the respective total gross floor areas referred to in Special Condition No. (10) hereof, there shall not be taken into account the spaces provided within the building or buildings erected or to be erected within the Non-Industrial Development in accordance with this Special Condition No.(56).

Parking, loading and unloading
for the KCRC Complex

(57) The Grantee shall provide to the satisfaction of the Director such space or spaces as the Director considers necessary for the parking, loading and unloading of motor vehicles to meet the normal day-to-day operations of the Grantee within the KCRC Complex and the space or spaces so provided shall not be used for any other purpose.

Restriction on alienation of
Residential Parking Spaces

(58) (a) The Residential Parking Spaces provided within the lot in accordance with Special Condition No. (56) hereof shall not be used for any purpose other than for the parking of motor vehicles belonging to the residents of the residential units in the building or buildings erected or to be erected on the lot within the Non-Industrial Development and their bona fide guests and visitors and shall be designated as such on the approved car park layout plan referred to in Special Condition No. (59) hereof.

(b) Except with the prior written consent of the Director, the Residential Parking Spaces shall not be:

- (i) assigned except
 - (I) together with undivided shares in the lot giving the right of exclusive use and possession of a residential unit or units in the building or buildings erected or to be erected on the lot within the Non-Industrial Development or
 - (II) to a person who is already the owner of undivided shares in the lot with the right of exclusive use and possession of a residential unit or units in the building or buildings erected or to be erected on the lot within the Non-Industrial Development; or
- (ii) underlet except to residents of the residential units in the building or buildings erected or to be erected on the lot within the Non-Industrial Development

provided that in any event except with the prior written consent of the Director not more than three of the Residential Parking Spaces shall be assigned or underlet to the owner or resident of any one residential unit.

(c) Sub-clause (b) of this Special Condition shall not apply to

- (i) the assignment under Special Condition No.(52); or
- (ii) an assignment of the undivided shares in the lot allocated to the whole of the Residential Parking Spaces giving the right of exclusive use and possession of all the Residential Parking Spaces.

Deposit of car park layout plan

(59) A plan approved by the Director indicating the layout of the parking, loading and unloading spaces to be provided within the Non-Industrial Development in accordance with Special Condition No. (56) hereof, or a copy of such plan certified by an Authorized Person (as defined in the Buildings Ordinance) shall be deposited with the Director. No transaction (except a building mortgage under Special Condition No. (48)(c) hereof or such other transactions as the Director may approve) affecting the lot or any part thereof or any building or part of any building erected or to be erected on the lot shall be entered into prior to such deposit. The parking, loading and unloading spaces indicated on the said approved plan shall not be used for any purpose other than for the purposes set out in Special Condition No. (56) hereof. The Grantee shall maintain the parking, loading and unloading spaces in accordance with the said approved plan and shall not alter the layout except with the prior written consent of the Director.

- Dangerous goods
- (60) The Grantee shall comply with all lawful requirements of the Director of Fire Services made under the Dangerous Goods Ordinance, any regulations made thereunder and any amendments thereto.
- Set back
- (61) The Grantee shall not cut away, remove or set back any Government land adjacent to or adjoining the lot or carry out any building up, filling in or any slope treatment works of any kind whatsoever on any Government land except with the prior written consent of the Director who may, at his sole discretion, give his consent subject to such terms and conditions as he sees fit, including the grant of additional Government land as an extension to the lot at such premium as he may determine.
- Cutting away
- (62) (a) Where there is or has been any cutting away, removal or setting back of any land, or any building up or filling in or any slope treatment works of any kind whatsoever, whether with or without the prior written consent of the Director, either within the lot or on any Government land, which is or was done for the purpose of or in connection with the formation, levelling or development of the lot or any part thereof or any other works required to be done by the Grantee under these Conditions, or for any other purpose, the Grantee shall at his own expense carry out and construct such slope treatment works, retaining walls or other support, protection, drainage or ancillary or other works as shall or may then or at any time thereafter be necessary to protect and support such land within the lot and also any adjacent or adjoining Government or leased land and to obviate and prevent any falling away, landslip or subsidence occurring thereafter. The Grantee shall at all times during the term hereby agreed to be granted maintain at his own expense the said land, slope treatment works, retaining walls or other support, protection, drainage or ancillary or other works in good and substantial repair and condition to the satisfaction of the Director.
- (b) Nothing in sub-clause (a) of this Special Condition shall prejudice the Government's rights under these Conditions, in particular Special Condition No. (61) hereof.
- (c) In the event that as a result of or arising out of any formation, levelling, development or other works done by the Grantee or owing to any other reason, any falling away, landslip or subsidence occurs at any time, whether in or from any land, within the lot or from any adjacent or adjoining Government or leased land, the Grantee shall at his own expense reinstate and make good the same to the satisfaction of the Director and shall indemnify the Government its agents and contractors from and against all costs, charges, damages, demands and claims whatsoever which shall or may be made, suffered or incurred through or by reason of such falling away, landslip or subsidence.
- (d) In addition to any other rights or remedies herein provided for breach of any of these Conditions, the Director shall be entitled by notice in writing to call upon the Grantee to carry out, construct and maintain the said land, slope treatment works, retaining walls, or other support, protection, and drainage or ancillary or other works or to reinstate and make good any falling away, landslip or subsidence, and if the Grantee shall neglect or fail to comply with the notice to the satisfaction of the Director within the period specified therein, the Director may forthwith execute and carry out any necessary works and the Grantee shall on demand repay to the Government the cost thereof, together with any administrative or professional fees and charges.
- No rock crushing
- (63) No rock crushing plant shall be permitted on the lot without the prior written approval of the Director.
- Anchor maintenance
- (64) Where prestressed ground anchors have been installed, upon development or redevelopment of the lot or any part thereof, the Grantee shall at his own expense carry out regular maintenance and regular

monitoring of the prestressed ground anchors throughout their service life to the satisfaction of the Director and shall supply to the Director such reports and information on all such monitoring works as the Director may from time to time in his absolute discretion require. If the Grantee shall neglect or fail to carry out the required monitoring works, the Director may forthwith execute and carry out the monitoring works and the Grantee shall on demand repay to the Government the cost thereof.

Spoil or debris

(65) (a) In the event of spoil or debris from the lot or from other areas affected by any development of the lot being eroded and washed down onto public lanes or roads or into road-culverts, foreshore or seabed, sewers, storm-water drains or nullahs or other Government properties, the Grantee shall be held responsible and shall at his own expense remove the spoil and debris from and make good any damage done to the public lanes or roads or road-culverts, sewers, storm-water drains or nullahs, foreshore or seabed or other Government properties. The Grantee shall indemnify the Government against all actions, claims and demands arising out of any damage or nuisance to private property caused by such erosion and washing down.

(b) Notwithstanding sub-clause (a) of this Special Condition the Director may (but is not obliged to), upon the written request of the Grantee and at the cost of the Grantee, remove the spoil and debris from and make good any damage done to the public lanes or roads or road-culverts, sewers, storm-water drains or nullahs, foreshore or seabed or other Government properties referred to in the said sub-clause (a).

Dumping (Government land)

(66) No earth, debris, spoil of whatsoever nature, or building materials shall be dumped on any Government land.

Utility services

(67) The Grantee shall take or cause to be taken all proper and adequate care, skill and precautions at all times and particularly during any construction, maintenance, renewal or repair work to avoid doing any damage to any Government or other existing drain, waterway or watercourse (including water main), footpath, sewer, nullah, pipe, cable, wire, utility service or any other works or installations (all together hereinafter referred to as "the Works and Services") being or running upon, over, under or adjacent to all or any or any part or parts of the lot, the Public Roads and the Paved Way, provided that the Grantee before carrying out any such work as aforesaid shall make or cause to be made such proper search and enquiry as may be necessary to ascertain the present position and levels of any of the Works and Services, and shall submit his proposals for dealing with any of the Works and Services in writing to the Director for his approval in all respects, and shall not carry out any work whatsoever until the Director shall have given his written approval to the works and to such proposals aforesaid, and shall comply with any requirement of the Director in respect of the Works and Services, and shall bear the cost of meeting such requirements including the cost of any necessary diversion, relaying or reinstatement, and except as provided in Special Condition No. (72) hereof shall at his own expense in all respects repair, make good and reinstate to the satisfaction of the Director any damage or disturbance caused to the surface of the lot, the Public Roads and the Paved Way or any part thereof or any of the Works and Services running on, over, under or adjacent to all or any or any part or parts of the lot, the Public Roads and the Paved Way in any manner arising out of any such construction, maintenance, renewal or repair work. If the Grantee fails to carry out any such necessary diversion, relaying, repairing, making good and reinstatement of the lot, the Public Roads and the Paved Way or any part thereof or of any of the Works and Services to the satisfaction of the Director, he, the Director, may carry out any such diversion, relaying, repairing, reinstatement or making good as he considers necessary and the Grantee shall pay to the Government on demand the cost of such works.

Damage to public roads

(68) (a) The Grantee shall at his own expense and to the satisfaction of the Director make good any damage done to adjoining public roads

including any street furniture by the Grantee, his contractors or sub-contractors or his or their workmen or vehicles or by any spoil from the lot.

(b) Notwithstanding sub-clause (a) of this Special Condition the Director may (but is not obliged to), upon the written request of the Grantee and at the cost of the Grantee, make good any damage done to the adjoining public roads including street furniture referred to in the said sub-clause (a).

Dumping (public roads)

(69) No materials shall be dumped or stored, nor shall any work be carried out within the boundaries of a public road or way without the prior written consent of the Director.

Drainage Reserve

(70) (a) (i) Subject to sub-clause (a)(ii) of this Special Condition, no building or structure or support for any building or structure, other than those specifically approved in writing by the Director (hereinafter referred to as "the permitted structures"), shall be constructed, erected, placed or maintained on, under, below, over or above or within the area of drainage reserve shown coloured pink hatched black, pink hatched black hatched red and pink hatched black stippled black on Plan I annexed hereto (hereinafter referred to as "the Drainage Reserve").

(ii) Notwithstanding sub-clause (a)(i) of this Special Condition, buildings or structures or supports for any building or structure may be constructed, erected, placed or maintained over or above the Drainage Reserve provided that except for the permitted structures, there shall be a clear space extending upwards from the ground level of the Drainage Reserve to a height of not less than 5.1 metres. For the purpose of this Special Condition the decision of the Director as to what constitutes the ground level shall be final and binding upon the Grantee.

(b) The Director and his officers and contractors, his or their workmen with or without tools, equipment, machinery or motor vehicles shall have the rights of free ingress, egress and regress to and from the lot or any part thereof for the purposes of laying, inspecting, maintaining, repairing, altering, renewing or replacing any new or existing drains, sewers, channels, drainage facilities and other services within the Drainage Reserve. The Director and his officers and contractors, his or their workmen shall have no liability in respect of any loss, damage, nuisance or disturbance whatsoever caused to or suffered by the Grantee arising out of or incidental to the exercise by him or them of the right of ingress, egress and regress conferred under this Special Condition, and no claim shall be made against him or them by the Grantee in respect of any such loss, damage, nuisance or disturbance.

(c) Without prejudice to the rights of the Director and his officers and contractors, his or their workmen under sub-clause (b) of this Special Condition, the Director may at any time and from time to time require the Grantee to, and thereupon the Grantee shall as required by the Director, lay, inspect, maintain, repair, alter, renew or replace any new or existing drains, sewers, channels, drainage facilities and other services within the Drainage Reserve to the satisfaction of the Director provided that the Government shall bear such reasonable costs for the works as may be determined by the Director, whose decision shall be final and binding on the Grantee.

Construction of drains and channels

(71) The Grantee shall construct and maintain at his own expense and to the satisfaction of the Director such drains and channels, whether within the boundaries of the lot or on Government land, as the Director may consider necessary to intercept and convey into the nearest stream-course, catchpit, channel or storm-water drain all storm-water or rain-water falling

or flowing on to the lot, and the Grantee shall be solely liable for and shall indemnify the Government and its officers from and against all actions, claims and demands arising out of any damage or nuisance caused by such storm-water or rain-water.

Damage to nullahs etc.

(72) (a) Any damage or obstruction caused by the Grantee, his servants or agents to any nullah, sewer, storm-water drain or water main within or adjoining the lot shall be made good by the Government at the cost of the Grantee, and the amount due in respect thereof shall be paid on demand to the Government by the Grantee.

(b) Notwithstanding sub-clause (a) of this Special Condition, the Grantee shall, at the request of the Director, make good such damage or obstruction as specified by the Director at his own expenses and in all respects to the satisfaction of the Director.

Connecting drains and sewers

(73) The works of connecting any drains and sewers from the lot to the Government storm-water drains and sewers, when laid and commissioned but subject to the control and requirements of the relevant and competent authorities over public sewers and drains under statute or otherwise, may be carried out by the Director who shall not be liable to the Grantee for any loss or damage thereby occasioned and the Grantee shall pay to the Government on demand the cost of such connection works. Alternatively, the said connection works may be constructed by the Grantee at his own expense to the satisfaction of the Director and in such case any section of the said connection works which is constructed in Government land shall upon demand be handed over by the Grantee to the Government for future maintenance thereof at the expense of the Government and the Grantee shall pay to the Government on demand the cost of the technical audit in respect of the said connection works.

Foundations

(74) Any foundations to be constructed near or adjoining any water main, sewer, storm-water drain or nullah within or adjoining the lot shall comply with the requirements of the Director.

Filtered water supply

(75) A filtered water supply from Government mains will be given on the usual terms and subject to the provisions of the Waterworks Ordinance or any enactment amending or replacing the same, but no guarantee is given that any water that is supplied will be continuously available.

Salt water for flushing purposes

(76) A salt water supply from Government mains will be given for flushing purposes, and the Grantee will be required to accept this supply and to install plumbing capable of withstanding the corrosive effect of salt water. If a salt water supply is not available when required, a temporary mains fresh water supply will be provided for flushing purposes. The temporary mains fresh water supply if required, and the ultimate salt water supply, will be given on the usual terms and subject to the provisions of the Waterworks Ordinance or any enactment amending or replacing it.

Restriction on use of water supply

(77) Except with the prior written consent of the Water Authority, no water from Government mains shall be used for any heating, cooling or humidification purpose.

Access for Fire Services appliances and personnel

(78) Throughout the term hereby agreed to be granted:

(a) the Grantee shall at his own expense and to the satisfaction of the Director of Fire Services :

(i) provide suitable means of access for the passage of Fire Services appliances and Fire Services personnel to any building or buildings, structure or structures erected or placed or to be erected or placed on the lot;

(ii) at all times permit such Fire Services personnel and Fire Services appliances the free and uninterrupted use of such means of access; and

(iii) maintain such means of access and keep the same free from obstruction;

(b) the Grantee shall permit the Director of Fire Services, his officers, servants or agents at all reasonable times with or without notice to enter upon the lot or any part thereof or any building or buildings, structure or structures or any part thereof erected or placed or to be erected or placed thereon for the purpose of inspecting the same so as to ensure that the requirements referred to in sub-clause (a) of this Special Condition have been complied with.

Provision of fire service installations and equipment

(79) The Grantee shall at his own expense and to the satisfaction of the Director of Fire Services provide fire hydrants, fire fighting appliances, water pumping connections and such other fire service installations and equipment (as defined in the Fire Services Ordinance) as the Director of Fire Services in his sole discretion shall require within the lot (or, subject to the prior written consent and approval of the Director, on any adjacent or adjoining Government land) and within any building or buildings erected or to be erected thereon at such point or points as the Director of Fire Services may require. The Grantee shall maintain at his own expense the said fire hydrants, fire fighting appliances, water pumping connections and such other fire service installations and equipment in good condition and to the satisfaction of the Director of Fire Services.

Supervisory and overhead charges

(80) Wherever in these Conditions it is provided that:

(a) the Government or its duly authorized officers shall or may carry out works of any description on the lot or any part thereof or outside the lot (whether on behalf of the Grantee or on the failure of the Grantee to carry out such works or otherwise) at the cost of the Grantee or that the Grantee shall pay or repay to the Government or to its duly authorized officers on demand the cost of such works, such cost shall include such supervisory and overhead charges as may be fixed by the Government or by its duly authorized officers; or

Prior approval or consent

(b) the prior approval or consent in writing of the Government or its duly authorized officers is required, they may give the approval or consent on such terms and conditions as they see fit or refuse it at their absolute discretion.

Definitions of gross floor area

(81) (a) For the purposes of these Conditions the expression "gross floor area" means the area contained within the external faces of the external walls (or in the absence of such walls the external perimeters) of any building or buildings erected or to be erected on the lot measured at each floor level (including any floor below the level of the ground), together with the area of each balcony in such building or buildings, which shall be calculated from the overall dimensions of the balcony (including the thickness of the sides thereof).

(b) Notwithstanding sub-clause (a) of this Special Condition the Director at his sole discretion may:

(i) in calculating the gross floor area of any building or buildings erected or to be erected on the lot (in addition to any floor space which may be excluded by Special Condition Nos. (23), (24), (25), (26), (29), (36) and (56)(i) hereof), exclude:

- (I) any floor space that he is satisfied is constructed or intended to be used solely for the parking or for the loading or unloading of motor vehicles or occupied solely by machinery or equipment for any lift, air-conditioning or heating system or any similar service and any space for refuse disposal; and
- (II) subject to the payment by the Grantee of any premium and administrative fee as shall be determined by the Director:
 - (A) any structure or floor space, including, but not limited to, any balcony, corridor, lift lobby, communal sky garden, acoustic fin, noise barrier, sunshade, reflector, wing wall, wind catcher or funnel, or any part thereof (all hereinafter referred to as "environmentally friendly or innovative features") and any other structure or floor space which in the opinion of the Building Authority is an environmentally friendly or innovative feature (as to which his opinion shall be conclusive) and which, for that reason, has been excluded by the Building Authority from calculation of gross floor area under the Buildings Ordinance; and
 - (B) any floor space or structure which has been excluded by the Building Authority from the calculation of gross floor area under the Buildings Ordinance; and
- (III) any floor areas of the said existing buildings and structures referred to in Special Condition No.(2) hereof or any part thereof.

Calculation of gross floor area in buildings with curtain wall system forming external face of building

- (ii) accept, for the purpose of calculating the gross floor area, the outer face of the structural elements of the building or buildings erected or to be erected on the lot as the external wall where a curtain wall system forms the external face of any building or buildings erected or to be erected on the lot provided that the outer face of the curtain wall system shall project no more than 300 millimetres from the outer face of the structural elements and provided also that the Director shall have the sole discretion in deciding what comprises a structural element of any building or buildings erected or to be erected on the lot.

(c) Communal sky gardens and any other structure or floor space referred to in sub-clause (b)(i) of this Special Condition shall, if so required by the Director, be designated as and form part of the Common Areas referred to in Special Condition No. (50)(a)(v) hereof.

MEMORANDUM OF AGREEMENT

Memorandum that The Kowloon-Canton Railway Corporation whose registered office is situate at The KCRC House, No. 9 Lok King Street, Fo Tan, Sha Tin, New Territories and whose seal is hereunder affixed, has this day agreed to carry out the terms and conditions of the foregoing Conditions of Exchange and the Grantee hereby agrees fully to observe and perform the said Conditions and to be bound thereby and the District Lands Officer, Sha Tin on behalf of the Chief Executive of the Hong Kong Special Administrative Region hereby ratifies and confirms the said Exchange on the above Conditions.

Dated this 31st day of March 20 03

The Seal of the Kowloon-Canton Railway Corporation is hereunto affixed by the authority of the Managing Board and SIGNED by

[Handwritten signature]

Authorized Signatory
Name: *[Handwritten name]*
Description of his office:
KCRC Managing Board Member

In the presence of

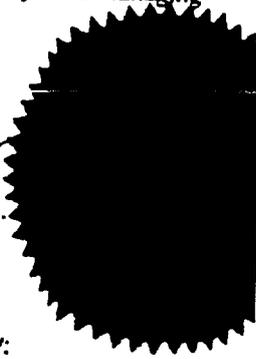
[Handwritten signature]

Witness to the Seal of the Grantee and
Signature(s) of its Attesting Officers
LEE YAT WAH WALTER
Address: 4/F, Jardine House
1 Connaught Place Central,
Hong Kong

Witness to the Signature of
District Lands Officer, Sha Tin

[Handwritten signature]
Civil Servant,
Lands Department

[Handwritten signature]
Authorized Signatory
Name: D A Fleming
Deputy Secretary



[Handwritten signature]

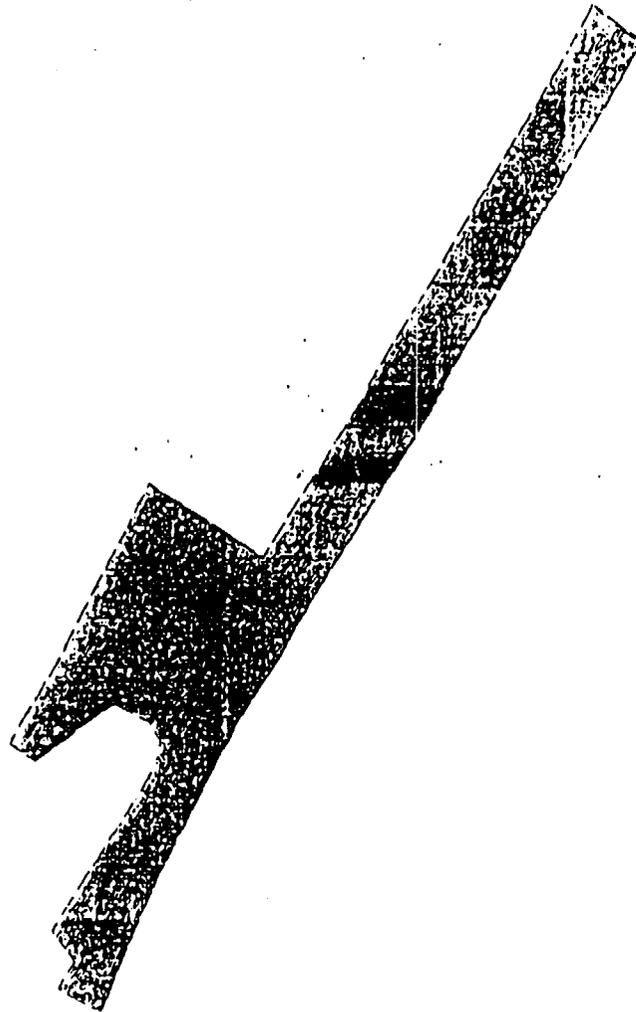
Witness to the Seal of the Grantee and
Signature(s) of its Attesting Officers
Esther Lo
Address: KCRC HOUSE
9 LOK KING STREET
FO TAN, SHA TIN

[Handwritten signature]
District Lands Officer, Sha Tin



PLAN 11

DISTRICT LANDS OFFICE
SHA TIN
LANDS DEPARTMENT



FOR INFORMATION PURPOSES ONLY
SIGNED AND SEALED BY THE DISTRICT LANDS OFFICER
DATE: 15/11/2011
OFFICIAL SEAL AND SIGNATURE

Scale

1:5000

DATE

RELEASED FOR INFORMATION PURPOSES ONLY

SCALE 1:5000

HONG KONG CANTON RAILWAY CORPORATION DEPOT
AT HO TUNG LAU, SHA TIN

SURRENDER PLAN
PLAN NO. S1707-01

FOR INFORMATION PURPOSES ONLY
District Lands Office, Sha Tin
Lands Department
The Principal of Survey Office, Sha Tin

Dated - 3 MAR 2003 20

AGREEMENT

AND

CONDITIONS OF EXCHANGE

of

Sha Tin Town Lot No.470

NEW GRANT NO. 13170

Grantee : The Kowloon-Canton Railway Corporation

Rent : As specified in General Condition No. 1

Term : Fifty years from the date of the
Memorandum of Agreement

Lands Department



DOC

CONFIRMATION AND UNDERTAKING

To: The Government of the Hong Kong Special Administrative Region ("the Government")

WHEREAS we, The Kowloon-Canton Railway Corporation, are a public authority established and vested with land under the Kowloon-Canton Railway Corporation Ordinance and NOW THIS DEED WITNESSETH that in consideration of the Government granting or agreeing to grant to us the lot known as Sha Tin Town Lot No.470 ("the Lot") by way of land exchange under the Agreement and Conditions of Exchange dated the 3rd day of March 2003 ("the New Grant").

(1) we hereby undertake and covenant with the Government that:

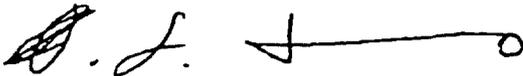
- (a) we shall, if and when required by the Commissioner for Transport ("the Commissioner"), at our own expense within such time limit and in such manner as the Commissioner may require and in accordance with the plans and drawings approved by the Commissioner under Clause (1)(b) hereof carry out and complete in all respects to the satisfaction of the Commissioner the road improvement works and measures at the junction of Fo Tan Road/ Yuen Wo Road ("the said road junction") for implementing the road improvement proposals as contained in the Traffic Impact Assessment Final Report dated November 1999 attached to the Planning Statement as submitted by us on 29.11.1999 in respect of the development of the Lot for alleviating the congestion and overloading problems of or at the said road junction as a result of the said development ("the Road Improvement Works") or such part or parts of the Road Improvement Works as the Commissioner may require and shall comply with and observe all instructions and directions which may reasonably be given by the Commissioner in connection with the carrying out of the Road Improvement Works;
- (b) prior to the carrying out of the Road Improvement Works under Clause (1)(a) hereof, we shall at our own expense submit to the Commissioner for his written approval all the necessary plans and drawings showing the layout, location and design and such other particulars as the Commissioner may reasonably require in respect of the Road Improvement Works and we shall not commence the Road Improvement Works or any part thereof unless and until such plans and drawings have been approved by the Commissioner (which approval shall not be unreasonably withheld or delayed);
- (c) in the event of the non-fulfilment of any of our obligations under Clause (1)(a) hereof, the Government may carry out the necessary Road Improvement Works at our cost and we shall pay to the Government on demand a sum equal to the cost thereof, such sum shall include such supervision and overhead charges as may be determined by the Commissioner for Transport whose determination shall be final and binding on us in the absence of manifest errors; and
- (d) we shall indemnify and keep indemnified the Government, its officers, contractors and workmen from and against all liability, costs, claims, demands, charges, damages, actions and expenses of whatsoever nature arising directly or indirectly out of or caused by our negligence or willful default or that of our servants, workmen, contractors or any

other persons authorized by us in connection with the carrying out of the Road Improvement Works or any breach by us of the provisions of this Clause (1); and

(2) we hereby acknowledge and confirm, and shall not obstruct or interfere with, the non-exclusive right for the owners for the time being of the Lot, their servants, visitors, workmen and other persons authorized by them in that behalf from time to time and at all times during the term agreed to be granted under the New Grant to pass and repass with or without vehicles on, over, along, by and through the Paved Way (as defined in Special Condition No.(18)(e) of the New Grant) to and from the Lot for the proper use and enjoyment of the Lot in accordance with and subject to the terms and provisions of the New Grant and subject to any other deeds and documents (if any) which may be agreed and/or entered into between us and the other owners for the time being of the Lot from time to time with the prior written approval of the Director and we hereby undertake and covenant with the Government that we shall, without prejudice to the provisions of and the Government's rights under the New Grant, pay and contribute to the costs of upholding, maintaining and repairing and altering the Paved Way as required under Special Condition No.(18)(c) & (d) of the New Grant in such manner and proportion, having regard to our use of the Paved Way for gaining access to and from the Lot and other land and premises, to be set out in the Deed of Mutual Covenant (to which we shall be or join as a party) referred to in Special Condition No.(50) of the New Grant covenant as approved by the Director of Lands in accordance with the said Special Condition No. (50).

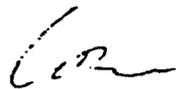
Dated the 3rd day of March 2003

The Seal of the Kowloon-Canton Railway Corporation is hereunto affixed by the authority of the Managing Board and SIGNED by



Authorized Signatory
Name: *[Handwritten Name]*
Description of his office:
KCRC Managing Board Member

In the presence of:

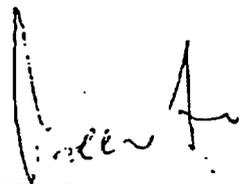
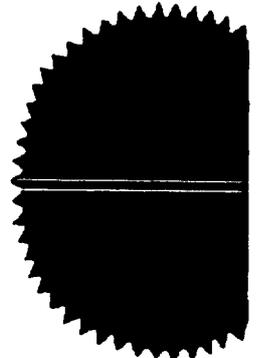


witness

Name: LEE YAT WAH WALTER.
Occupation: S. Director, Hong Kong SAR.
Address:
4/F, Jardine House,
1 Connaught Place,
Central, Hong Kong



Authorized Signatory
Name: D A Fleming
Description of his office:
Company Secretary



witness

Name: Esther Lo
Occupation: Personal Secretary
Address: *[Handwritten Address]*

REGISTERED in the Sha Tin
New Territories Land Registry
by Memorial No. 1323332
on 16 April 2003


for Land Registrar

THIS DEED is made the 21st day of October Two Thousand and Two



BETWEEN:-

(1) THE INCORPORATED OWNERS OF JUBILEE GARDEN (SHATIN) whose registered office is situate at Level 3 Podium, Block 2, Jubilee Garden, No. 2-18 Lok King Street, Sha Tin, New Territories (hereinafter referred to as "the Incorporated Owners" which expression shall where the context so admits include its successors and assigns) of the one part; and

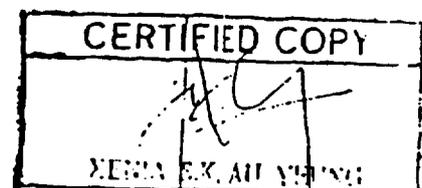
(2) THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION (hereinafter referred to as "the Government") of the other part.

WHEREAS:-

(1) The Incorporated Owners is the owners' corporation, incorporated pursuant to the Building Management Ordinance Cap.344 ("the Ordinance"), of the development now known as Jubilee Garden erected on Sha Tin Town Lot No.87 (except the whole of the lot below the level of 13 m above Hong Kong Principal Datum) (hereinafter referred to as "the Lot") held under the terms and conditions contained in New Grant No.11326 as modified by the Modification Letter dated 18th March 1985 and registered in the Sha Tin New Territories Land Registry by Memorial No.283925 (hereinafter referred to as the Government Grant") for the residue of the term of years granted or agreed to be granted under the Government Grant (hereinafter referred to as "the said term"). Under the Ordinance, the rights, powers, privileges and duties of the owners of the Lot and Jubilee Garden (hereinafter referred to as the Owners of Jubilee Garden") in relation to the common parts of Jubilee Garden shall be exercised and performed by the Incorporated Owners who may act on behalf of the Owners of Jubilee Garden in respect of matters in which the Owners of Jubilee Garden have a common interest.

(2) The existing walkway in Jubilee Garden as shown coloured hatched red on the plan annexed hereto reserved for public passage (hereinafter referred to as "the existing walkway") for gaining access to and from the Fo Tan Railway Station and Sha Tin Racecourse through, over and along the existing walkway and the existing footbridge shown coloured brown on the plan annexed hereto (hereinafter referred to as "the existing footbridge") forms part of the Reserved Portion as defined in the Deed of Mutual Covenant in respect of Jubilee Garden dated 27th December 1985 and registered in the Sha Tin New Territories Land Registry by Memorial No.314896 (hereinafter referred to as "the Deed of Mutual Covenant") and the Reserved Portion forms part of the Common Areas as defined in the Deed of Mutual Covenant.

(3) The Incorporated Owners acting on behalf of the Owners of Jubilee Garden has requested the Government to erect or cause to be erected within, over or above part of the



adjoining land (which land is marked "Proposed STTL 470" on the plan annexed hereto and is hereinafter referred to as "the Adjoining Land") a pedestrian footbridge to be connected to the existing walkway and has agreed with the Government to enter into these presents.

NOW THIS DEED WITNESSETH as follows:

1. In consideration of \$1.00 paid by the Government to the Incorporated Owners (the receipt whereof is hereby acknowledged by the Incorporated Owners), the Incorporated Owners hereby grants unto the Government full right and liberty for the Government and/or such grantee, lessee or tenant for the time being holding the Adjoining Land or any part thereof under any Government lease or agreement for Government lease, as may be authorized by the Government (hereinafter referred to as "the authorized Government Grantee") to, and the Incorporated Owners further covenants with the Government to permit the Government and/or the authorized Government Grantee to:-

- (i) connect any pedestrian footbridge (of such design and dimensions as the Government may determine) which may, in the absolute discretion of the Government, hereafter be erected within or partly within that portion of airspace above that part of the Adjoining Land shown coloured brown hatched black on the plan annexed hereto (or such part thereof as the Government may determine) between the levels 16.9 metres and 21.70 metres above the Hong Kong Principal Datum or within or at such other location or levels on, over or above the Adjoining Land as may be determined by the Government (hereinafter referred to as "the Bridge") to the existing walkway between the points A and B as shown and marked on the plan annexed hereto (or such other points as the Government may determine) and at such level and in such manner and standard as the Government may determine, with all necessary right of support from the Lot and Jubilee Garden, so that there would be a pedestrian link between the existing walkway and the Bridge (if erected); and
- (ii) carry out such connection works or modification or alteration or other works to or at such parts of Jubilee Garden as the Government may consider necessary for the purpose of connecting the Bridge to the existing walkway as aforesaid including but not limited to the removal or demolition of such parts of the walls or structures of Jubilee Garden as the Government may consider necessary so as to make an opening or openings at or between the said points A and B or such other points as the Government may reasonably determine and upon giving reasonable notice to the Incorporated Owners

for and throughout the residue of the said term and the Government, the authorized Government Grantee, its or their officers, agents, contractors, workmen or other duly authorised persons with or without tools, equipment or machinery shall have free and uninterrupted right at all reasonable times, upon giving reasonable notice to the Incorporated Owners, to enter upon such parts of the Lot and Jubilee Garden as the

Government may consider necessary for the purpose of exercising the rights or carrying out the works as provided in this Clause 1 or for the purpose of maintaining or repairing the Bridge (if erected) or any part thereof and the Incorporated Owners further covenants with the Government to permit such entry Provided that the person or persons exercising the rights or carrying out the works as provided under this Clause 1 shall take reasonable care and precaution to prevent damage or injury to land, persons or properties in the exercise of such rights or the carrying out of such works. Subject to the proviso as aforesaid and the proviso hereinafter appearing, the Government, the authorized Government Grantee, its or their officers, agents, contractors, workmen or other duly authorised persons shall have no liability in respect of any loss, damage, nuisance or disturbance whatsoever caused to or suffered by the Incorporated Owners or any other persons arising out of or incidental to the exercise of the rights or the carrying out of the works as provided in this Clause 1 and no claim shall be made against it or them by the Incorporated Owners in respect of such loss, damage, nuisance or disturbance Provided that nothing herein shall prevent the Incorporated Owners from claiming against the authorized Government Grantee, its officers, agents, contractors, workmen or other duly authorized persons for any loss, damage or injury caused by the negligence or default of the authorized Government Grantee, its officers, agents, contractors, workmen or other duly authorized persons but for avoidance of doubt, the Government and its officers shall not be held liable in any way, whether vicariously or otherwise, for such loss, damage or injury or for the negligence or default of the authorized Government Grantee, its officers, agents, contractors, workmen or other duly authorized persons.

2. The Incorporated Owners further covenants with the Government to render such reasonable assistance as the Government may reasonably require to facilitate the carrying out of the connection works or modification or alteration or other works as provided in Clause 1 hereof including the application for any necessary approval of the Building Authority to the modification or alteration or other works to or at Jubilee Garden or otherwise in respect of the connection works of the existing walkway and the Bridge provided that all costs, charges, fees and expenses incurred in obtaining such approval and all reasonable costs related and incidental thereto shall be solely borne by the Government.

3. The Incorporated Owners further covenants with the Government that the Incorporated Owners shall at all times (or during such days and hours as the Government shall in its absolute discretion otherwise determine) when the Bridge (if erected) is open for public passage, permit all members of the public without payment of any nature whatsoever to pass and repass from the Bridge through, over and along the existing walkway to the existing footbridge and vice versa.

4. For avoidance of doubt,

- (i) nothing herein shall create or be construed so as to create any representation, agreement or obligation whatsoever on the part of the Government towards the Incorporated Owners or any other persons to

erect or cause to be erected the Bridge or any part thereof or to carry out the connection or other works; and

(ii) nothing herein shall prejudice any provisions of the Government Grant or any rights of the Government thereunder and nothing herein shall relieve, diminish, extinguish or affect or be construed so as to relieve, diminish, extinguish or affect any obligations and liabilities whatsoever on the part of the grantees or lessees or the owners of the Lot under the Government Grant.

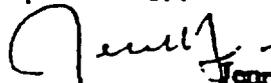
5. Any notice, demand or other document to be given or served on or to the Incorporated Owners under this Deed shall be deemed to have been duly given or served if it has been dispatched by ordinary post addressed to it at its registered office or last known address.

IN WITNESS whereof the Incorporated Owners has caused its common seal to be hereunto affixed and the District Lands Officer, Sha Tin, being duly authorized by the Chief Executive so to do, has hereunto set his hand and seal the day and year first above written.

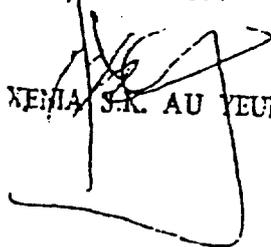
The Incorporated Owners

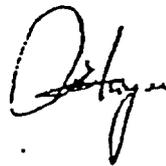
Scaled with the Common Seal of)
The Incorporated Owners of Jubilee)
Garden (Shatin) and Signed by)

廖韻兒 (主席))
及)
金寶蓮 (秘書))
in the presence of:-)


Jenny Hui
PM/JUBI
The Government

Signed Sealed and Delivered)
by K. L. LEUNG)
the District Lands Officer, Sha Tin)
in the presence of:-)

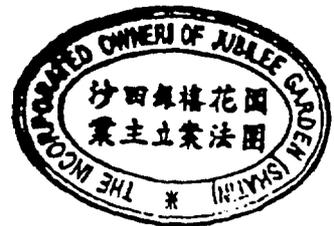

K. L. LEUNG



沙田銀禧花園業主立案法團
THE INCORPORATED OWNERS
OF JUBILEE GARDEN (SHATIN)



Authorized Signature(s)



Dated the 21st day of October 2002

DEED OF GRANT AND COVENANT

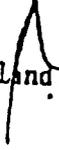
relating to the connection of
a footbridge to Jubilee Garden
erected on SHA TIN TOWN LOT NO.87

THE INCORPORATED OWNERS OF
JUBILEE GARDEN (SHATIN)

AND

The Government of the Hong Kong
Special Administrative Region

REGISTERED in the Sha Tin
New Territories Land Registry
by Memorial No. 1304757
on 28 October 2002


for Land Registrar

DOC

THIS DEED is made the 7th day of October Two Thousand and Two

BETWEEN:-

(1) YEE PANG REALTY LIMITED whose registered office is situate at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong (hereinafter referred to as "the Owner" which expression shall where the context so admits include its successors and assigns) of the first part;

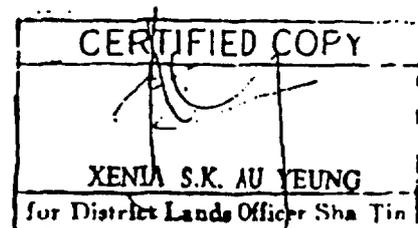
(2) YEE PANG REALTY LIMITED whose registered office is situate at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong (hereinafter referred to as "the Manager" which expression shall where the context so admits include the estate manager of the Lot (as hereinafter defined) and Jubilee Garden for the time being appointed whether pursuant to the Deed of Mutual Covenant or the Government Grant (both as hereinafter defined) or the Building Management Ordinance or otherwise) of the second part; and

(3) THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION (hereinafter referred to as "the Government") of the third part.

WHEREAS:-

(1) The Owner was the developer of and is now and remains to be the registered owner of various parts of the development now known as Jubilee Garden erected on Sha Tin Town Lot No.87 (except the whole of the lot below the level of 13 m above Hong Kong Principal Datum) (hereinafter referred to as "the Lot") held under the terms and conditions contained in New Grant No.11326 as modified by the Modification Letter dated 18th March 1985 and registered in the Sha Tin New Territories Land Registry by Memorial No.283925 (hereinafter referred to as the Government Grant") for the residue of the term of years granted or agreed to be granted under the Government Grant (hereinafter referred to as "the said term"), including, inter alia, the Commercial Development, the Reserved Shares and the Reserved Portion all as defined in the Deed of Mutual Covenant in respect of Jubilee Garden dated 27th December 1985 and registered in the Sha Tin New Territories Land Registry by Memorial No.314896 (hereinafter referred to as "the Deed of Mutual Covenant").

(2) The Reserved Portion includes, inter alia, the existing walkway in Jubilee Garden as shown coloured hatched red on the plan annexed hereto reserved for public passage (hereinafter referred to as "the existing walkway") for gaining access to and from the Fo Tan Railway Station and Sha Tin Racecourse through, over and along the existing walkway and the existing footbridge shown coloured brown on the plan annexed hereto (hereinafter referred to as "the existing footbridge"). The Reserved Portion forms part of the Common Areas as defined in the Deed of Mutual Covenant.



(3) The Manager is the estate manager of the Lot and Jubilee Garden (including the existing walkway and the Common Areas) appointed pursuant to the Deed of Mutual Covenant.

(4) The Incorporated Owners of Jubilee Garden (Shatin), the Owner and the Manager have requested the Government to erect or cause to be erected within, over or above part of the adjoining land (which land is marked "Proposed STTL 470" on the plan annexed hereto and is hereinafter referred to as "the Adjoining Land") a pedestrian footbridge to be connected to the existing walkway and the Owner and the Manager (hereinafter collectively referred to as "the Covenantors") have agreed with the Government to enter into these presents.

NOW THIS DEED WITNESSETH as follows:

1. In consideration of \$1.00 paid by the Government to the Covenantors (the receipt whereof is hereby acknowledged by the Covenantors), the Covenantors hereby in their respective capacities as the Owner and the Manager grant unto the Government full right and liberty for the Government and/or such grantee, lessee or tenant for the time being holding the Adjoining Land or any part thereof under any Government lease or agreement for Government lease, as may be authorized by the Government (hereinafter referred to as "the authorized Government Grantee") to, and the Covenantors further covenant with the Government to permit the Government and/or the authorized Government Grantee to :

- (i) connect any pedestrian footbridge (of such design and dimensions as the Government may determine) which may, in the absolute discretion of the Government, hereafter be erected within or partly within that portion of airspace above that part of the Adjoining Land shown coloured brown hatched black on the plan annexed hereto (or such part thereof as the Government may determine) between the levels 16.9 metres and 21.70 metres above the Hong Kong Principal Datum or within or at such other location or levels on, over or above the Adjoining Land as may be determined by the Government (hereinafter referred to as "the Bridge") to the existing walkway between the points A and B as shown and marked on the plan annexed hereto (or such other points as the Government may determine) and at such level and in such manner and standard as the Government may determine, with all necessary right of support from the Lot and Jubilee Garden, so that there would be a pedestrian link between the existing walkway and the Bridge (if erected); and
- (ii) carry out such connection works or modification or alteration or other works to or at such parts of Jubilee Garden as the Government may consider necessary for the purpose of connecting the Bridge to the existing walkway as aforesaid including but not limited to the removal or demolition of such parts of the walls or structures of Jubilee Garden as the Government may consider necessary so as to make an opening or openings at or between the said points A and B or such other

points as the Government may reasonably determine and upon giving reasonable notice to the Covenantors

for and throughout the residue of the said term and the Government, the authorized Government Grantee, its or their officers, agents, contractors, workmen or other duly authorised persons with or without tools, equipment or machinery shall have free and uninterrupted right at all reasonable times, upon giving reasonable notice to the Covenantors, to enter upon such parts of the Lot and Jubilee Garden as the Government may consider necessary for the purpose of exercising the rights or carrying out the works as provided in this Clause 1 or for the purpose of maintaining or repairing the Bridge (if erected) or any part thereof and the Covenantors further covenant with the Government to permit such entry Provided that the person or persons exercising the rights or carrying out the works as provided under this Clause 1 shall take reasonable care and precaution to prevent damage or injury to land, persons or properties in the exercise of such rights or the carrying out of such works. Subject to the proviso as aforesaid and the proviso hereinafter appearing, the Government, the authorized Government Grantee, its or their officers, agents, contractors, workmen or other duly authorised persons shall have no liability in respect of any loss, damage, nuisance or disturbance whatsoever caused to or suffered by the Covenantors or any other persons arising out of or incidental to the exercise of the rights or the carrying out of the works as provided in this Clause 1 and no claim shall be made against it or them by the Covenantors in respect of such loss, damage, nuisance or disturbance Provided that nothing herein shall prevent the Covenantors from claiming against the authorized Government Grantee, its officers, agents, contractors, workmen or other duly authorized persons for any loss, damage or injury caused by the negligence or default of the authorized Government Grantee, its officers, agents, contractors, workmen or other duly authorized persons but for avoidance of doubt, the Government and its officers shall not be held liable in any way, whether vicariously or otherwise, for such loss, damage or injury or for the negligence or default of the authorized Government Grantee, its officers, agents, contractors, workmen or other duly authorized persons.

2. The Covenantors further severally covenant with the Government to render such reasonable assistance as the Government may reasonably require to facilitate the carrying out of the connection works or modification or alteration or other works as provided in Clause 1 hereof including the application for any necessary approval of the Building Authority to the modification or alteration or other works to or at Jubilee Garden or otherwise in respect of the connection works of the existing walkway and the Bridge provided that all costs, charges, fees and expenses incurred in obtaining such approval and all reasonable costs related and incidental thereto shall be solely borne by the Government.

3. The Covenantors further severally covenant with the Government that the Covenantors shall at all times (or during such days and hours as the Government shall in its absolute discretion otherwise determine) when the Bridge (if erected) is open for public passage, permit all members of the public without payment of any nature

whatsoever to pass and repass from the Bridge through, over and along the existing walkway to the existing footbridge and vice versa.

4. For the avoidance of doubt,

- (i) nothing herein shall create or be construed so as to create any representation, agreement or obligation whatsoever on the part of the Government towards the Covenantors or any of them or any other persons to erect or cause to be erected the Bridge or any part thereof (or to carry out the connection or other works); and
- (ii) nothing herein shall prejudice any provisions of the Government Grant or any rights of the Government thereunder and nothing herein shall relieve, diminish, extinguish or affect or be construed so as to relieve, diminish, extinguish or affect any obligations and liabilities whatsoever on the part of the grantees or lessees or the owners of the Lot under the Government Grant; and
- (iii) the word "Covenantors" herein shall not imply or be construed to the effect that the Owner and the Manger are jointly liable for the act, default or negligence done or committed by one or more of the Covenantors and no covenants and/or obligations herein contained shall be construed as covenants and/or obligations entered into by the Covenantors jointly so that each of the Covenantors shall only be liable severally for its own breach hereof and the Government may sue one or more of the Covenantors severally for its or their own breach of the covenants herein contained.

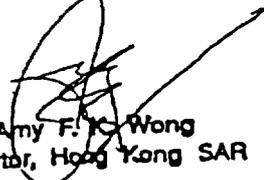
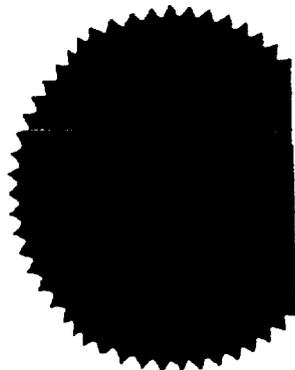
5. Any notice, demand or other document to be given or served on or to any of the Covenantors under this Deed shall be deemed to have been duly given or served if it has been dispatched by ordinary post addressed to it at its registered office or last known address.

IN WITNESS whereof the Covenantors have caused their respective common seals to be hereunto affixed and the District Lands Officer, Sha Tin, being duly authorized by the Chief Executive so to do, has hereunto set his hand and seal the day and year first above written.

The Owner

Sealed with the Common Seal of)
Yee Pang Realty Limited and)
Signed by)

WOO CHIA CHING, GRACE, Director)
(name in block letters)
and description of his office)
in the presence of :-)

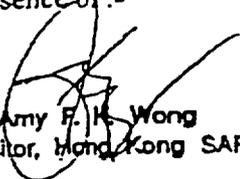
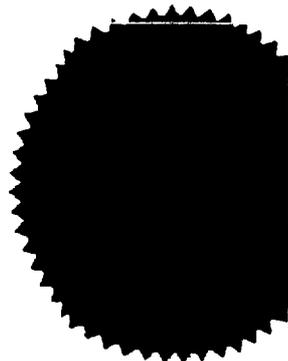


Amy F. K. Wong
Solicitor, Hong Kong SAR

The Manager

Sealed with the Common Seal of)
Yee Pang Realty Limited)
and Signed by)

WOO CHIA CHING, GRACE, Director)
(name in block letters)
and description of his office)
in the presence of :-)

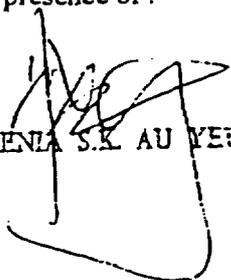
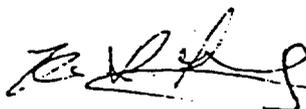


Amy F. K. Wong
Solicitor, Hong Kong SAR

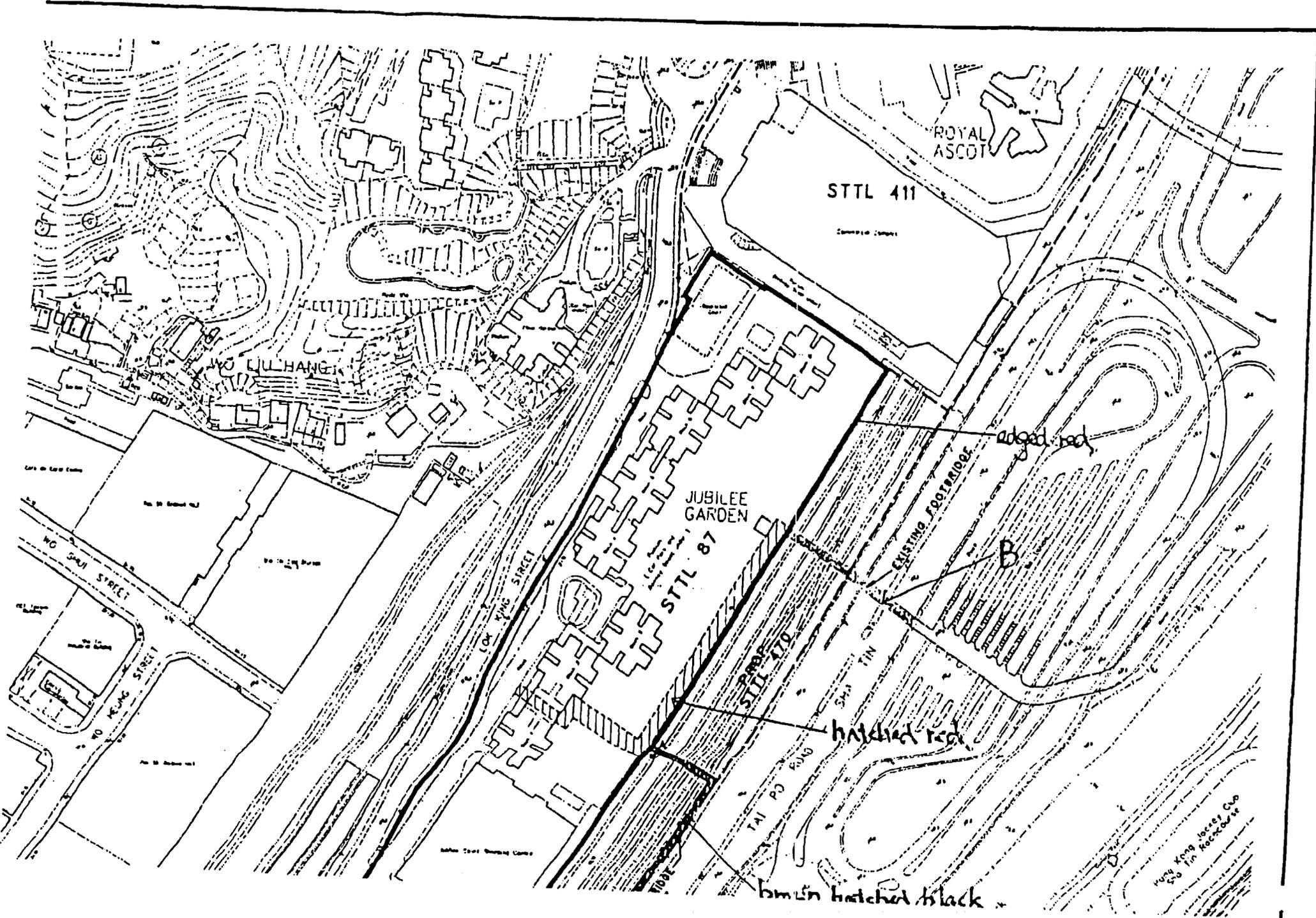
7/F., CHEUNG KONG CENTER, 2 QUEEN'S ROAD CENTRAL, HONG KONG.

The Government

Signed Sealed and Delivered)
by K. L. LEUNG)
the District Lands Officer, Sha Tin)
in the presence of :-)



XENIA S.K. AU YEUNG



Dated the 21st day of October 2002

DEED OF GRANT AND COVENANT

relating to the connection of
a footbridge to Jubilee Garden
erected on SHA TIN TOWN LOT NO.87

YEE PANG REALTY LIMITED

AND

YEE PANG REALTY LIMITED

AND

The Government of the Hong Kong
Special Administrative Region

REGISTERED in the Sha Tin
New Territories Land Registry
by Memorial No. 1304758
on 28 October 2002


for Land Registrar

**PARTICULARS AND CONDITIONS
OF GRANT BY PRIVATE TREATY**

PARTICULARS AND CONDITIONS for the GRANT by the Government of the Hong Kong Special Administrative Region (hereinafter referred to as "the Government") of the lot described in the First Schedule hereto and shown coloured pink on Plan I annexed hereto for a term of fifty years commencing from the date of the Memorandum of Agreement annexed hereto at the rent specified in the said First Schedule and subject to the General and Special Conditions hereunder in exchange for the surrender of the LAND described in the Second Schedule hereto and shown coloured blue on Plan III annexed hereto.

First Schedule

PARTICULARS OF THE LOT

Registry No.	Location	Site	Area in square metres	Rent	Premium
Sha Tin Town Lot No. 530	Ma On Shan, Sha Tin, New Territories	As delineated and shown coloured pink on Plan I annexed hereto	34,151 (about)	An annual rent of an amount equal to 3% of the rateable value from time to time of the lot, subject to General Condition No. 1 hereof	As specified in Special Condition No. (4) hereof

Second Schedule

LAND TO BE SURRENDERED

Registry No.	Location	Site	Area in square metres
Land vested in the Kowloon-Canton Railway Corporation	Ma On Shan, Sha Tin, New Territories	As delineated and shown coloured blue on Plan III annexed hereto	9,260 (about)

16/12/20

GENERAL CONDITIONS

- Rent
1. Rent as specified in the Particulars of the Lot shall commence and be payable from the date of this Agreement until the expiry of the term hereby agreed to be granted, and shall be governed by the provisions of the Government Rent (Assessment and Collection) Ordinance, any regulations made thereunder and any amending legislation and also subject to a minimum rent of \$1 per annum (if demanded).
- Acknowledgement by Grantee
2. The Grantee hereby expressly acknowledges :
- (a) that the Government shall be under no liability whatsoever to the Grantee (which expression shall for the purpose of this Condition only include his successors, assigns, mortgages, tenants or other occupiers of the lot whether lawful or otherwise) for any loss or damage howsoever arising in connection with or as a consequence of his grant of the lot and its subsequent development;
 - (b) that he has acquired the lot based upon his own evaluation of land records and available geotechnical information whether obtained from Government sources or otherwise and has satisfied himself as to the state and condition of the lot in relation to the purposes for which the lot is to be developed or redeveloped;
 - (c) that he takes the lot, whether on, above or below the surface of the ground, in the state and condition as it exists on the date on which possession of the lot is deemed to be given in accordance with Special Condition No. (9) of these Conditions; and
 - (d) that he shall not be entitled to revoke, withdraw, cancel or rescind in any way whatsoever from this Agreement nor be entitled in any way whatsoever to compensation or a reduction in the premium or any other compromise whatsoever should he subsequently determine that the lot is not fit for the purposes for which he acquired the lot.
- Exclusion of warranty
3. (a) The Government has given no warranty, express or implied, as to the suitability or fitness of the lot or any part thereof for development whether in accordance with these Conditions or otherwise. The Grantee for himself, his successors or assigns undertakes not to make any claim against the Government for any loss or damage whatsoever which he may suffer as a result of or arising from the state and condition of the lot making it either unfit for the purpose for which he acquired the lot or rendering it impossible to achieve the scale of development originally intended.
- (b) The Government in no way warrants the accuracy or correctness in any way whatsoever of any information made available or obtained, and in particular does not warrant that the lot is fit and suitable for any particular purpose.
- Indemnity by Grantee
4. The Grantee hereby indemnifies and shall keep indemnified the Government against all actions, proceedings, liabilities, demands, costs, expenses, losses (whether financial or otherwise) and claims whatsoever and howsoever arising from any breach of these Conditions or any damage or soil and groundwater contamination caused to adjacent or adjoining land or to the lot where such damage or soil and groundwater contamination has, in the opinion of the Director of Lands (hereinafter referred to as "the Director", and whose opinion shall be final and binding upon the Grantee), arisen out of any use of the lot, or any development or redevelopment of the lot or part thereof or out of any activities carried out on the lot or out of any other works carried out thereon by the Grantee whether or not such use, development or redevelopment, activities or works are in compliance with these Conditions or in breach thereof. ✓

Setting out

5. (a) The Director shall, at such time as he thinks fit or upon the application of the Grantee, set out the lot on the ground and the Grantee or his authorized representative after such setting out when called upon by the Director will attend at the lot to inspect the survey marks delineating the lot on the ground and will be given a plan showing the positions and descriptions of each such mark. The Grantee shall not commence any operations for building on the lot until it shall have been so set out by the Director. The Grantee shall take or cause to be taken all proper care and precautions to safeguard the said survey marks from disturbance or removal. If, before commencing any operations for building on the lot, any of the said survey marks are disturbed or removed, the Grantee shall apply in writing to the Director for replacement by survey and shall pay on demand to the Government in advance the prescribed fee therefor.

Encroachment upon Government land

(b) In the event that the Grantee is found to have encroached upon and to be occupying Government land the Director may in his absolute discretion either require the Grantee to demolish any building or part of any building standing on such Government land, to reinstate such Government land to his satisfaction and deliver vacant possession of the same to the Government or pay to the Government such sum as the Director in his absolute discretion shall determine as the premium in respect of such Government land. A certificate under the hand of the Director shall be conclusive as to the extent of any such encroachment and as to the amount of the premium payable in respect thereof. If the Grantee fails to demolish any building as required by the Director as above it shall be lawful for the Director to demolish such building and the Grantee shall pay on demand to the Government the amount certified by the Director as the cost of such demolition. In the event that the Director exercises his discretion to require the payment of premium as aforesaid upon the payment of such premium the area of Government land encroached upon shall be deemed in all respects to be part of the lot and shall be included in the lease of the lot when issued.

Maintenance

6. (a) The Grantee shall throughout the tenancy having built or rebuilt (which word refers to redevelopment as contemplated in sub-clause (b) below) in accordance with these Conditions (as defined in General Condition No. 12):

- (i) maintain all buildings in accordance with the approved design, disposition or height and any approved building plans without variation or modification thereto;
- (ii) maintain all buildings erected or which may hereafter be erected in accordance with these Conditions or any subsequent contractual variation of them, in good and substantial repair and condition and in such repair and condition deliver up the same at the expiration or sooner determination of the tenancy.

(b) In the event of the demolition at any time during the tenancy of any building then standing on the lot or any part thereof the Grantee shall replace the same either by sound and substantial building or buildings of the same type and of no less gross floor area or by building or buildings of such type and value as shall be approved by the Director. In the event of demolition as aforesaid the Grantee shall within one calendar month of such demolition apply to the Director for consent to carry out building works for the redevelopment of the lot and upon receiving such consent shall within three calendar months thereof commence the necessary works of redevelopment and shall complete the same to the satisfaction of and within such time limit as is laid down by the Director.

Boundary stones

7. The Grantee shall permit boundary stones properly cut and marked with the number of the lot to be fixed at each angle thereof and either in or on the land itself or in or on any building erected thereon as may be required by the Director and shall pay the fees prescribed by him therefor as well as the prescribed fees for the refixing of such boundary stones which, through being

lost, damaged or removed, need replacing.

Private streets, roads and lanes

8. Any private streets, roads and lanes which by these Conditions are required to be formed shall be sited to the satisfaction of the Director and included in or excluded from the area to be leased as may be determined by him and in either case shall be surrendered to the Government free of cost if so required. If the said streets, roads and lanes are surrendered to the Government, the surfacing, kerbing, draining (both foul and storm water sewers), channelling and road lighting thereof shall be carried out by the Government at the expense of the Grantee and thereafter they shall be maintained at public expense. If the said private streets, roads and lanes remain part of the area to be leased, they shall be lighted, surfaced, kerbed, drained, channelled and maintained by and at the expense of the Grantee in all respects to the satisfaction of the Director and the Director may carry out or cause to be carried out the installation and maintenance of road lighting for the sake of public interest as required. The Grantee shall bear the capital cost of installation of road lighting and allow free ingress and egress to and from the area to be leased to workmen and vehicles for the purpose of installation and maintenance of the road lighting.

Right to inspect

9. (a) The Grantee shall throughout the tenancy, at all reasonable times, permit the Director or his authorized representatives, with or without having given notice, to enter in or upon the lot or any part thereof or any building or part of any building erected on the lot for the purpose of inspecting the same so as to ascertain that there is no breach of or failure to observe any of these Conditions.

Right to inspect for assessing contamination

(b) The Grantee shall throughout the tenancy, at all reasonable times, permit the Director and the Director of Environmental Protection or his or their authorized representatives, upon serving reasonable verbal or written notice on the Grantee, to enter into or upon the lot or any part thereof or any building or part of any building erected on the lot for the purpose of carrying out site investigation works to assess the extent of contamination within the lot, which works shall include but not be limited to conducting site inspections, taking soil and water samples and any other works and operations relating or ancillary to such contamination assessment.

Breach of lease conditions

(c) The fulfilment by the Grantee of his obligations under these Conditions shall be a condition precedent to the grant or continuance of the tenancy, and in the event of any default by the Grantee in complying therewith such default shall be deemed to be a continuing breach and the subsequent acceptance by or on behalf of the Government of any rent or rates or other payment whatsoever shall not (except where the Government has notice of such breach and has expressly acquiesced therein) be deemed to constitute any waiver or relinquishment or otherwise prejudice the enforcement of the Government's right of re-entry for or on account of such default or any other rights, remedies or claims of the Government in respect thereof under these Conditions which shall continue in force and shall apply also in respect of default by the Grantee in the fulfilment of his obligations under these Conditions within any extended or substituted period as if it had been the period originally provided.

Re-entry

10. (a) Upon any failure or neglect by the Grantee to perform, observe or comply with any of these Conditions the Government shall be entitled to re-enter upon and take back possession of the lot or any part thereof and all or any buildings, erections and works erected or to be erected on the lot or any such part thereof or any part of such buildings, erections or works and thereupon this Agreement and the rights of the Grantee hereunder shall absolutely cease and determine (in respect of such part if the re-entry is upon a part only) but without prejudice nevertheless to the rights, remedies and claims of the Government in respect of any breach, non-observance or non-performance of any of these

No compensation on re-entry

Conditions.

(b) In the event of re-entry by the Government for or in respect of or arising out of the breach, non-observance or non-performance by the Grantee of the provisions of these Conditions, the Grantee shall not be entitled to any refund of the premium paid by him or any part thereof or to any payment or compensation whatsoever whether in respect of the value of the land or any part thereof or any building or buildings erected or to be erected on the land or any part thereof or part of any such building or buildings or any amount expended by the Grantee in the preparation, formation or development of the lot or any part thereof or otherwise.

Lease

11. (a) When these Conditions have been performed and complied with to the satisfaction of the Director, the Grantee shall subject to approval of his title by the Director be entitled to a lease of the lot for the term stated in the preamble to these Conditions.

(b) The Grantee shall execute and take up a lease of the lot when called upon to do so by the Director and shall pay the prescribed fees therefor. In the event of more than one building being erected on the lot the Grantee may be required to take up a separate lease for the site of each separate building and shall pay the prescribed fees for every additional lease so required to be taken up.

(c) Pending the issue of the lease the tenancy of the lot shall be deemed to be upon and subject to, and such lease, when issued, shall be subject to and contain all exceptions, reservations, covenants, clauses, conditions and provisos as are now inserted in the leases issued by the Government of similar lots in the Hong Kong Special Administrative Region (hereinafter referred to as "Hong Kong") as varied, modified or extended by these Conditions.

Definitions

12. (a) The expression "Grantee" shall in these Conditions include the person entering into and executing this Agreement and where the context so admits or requires his executors, administrators and assigns and in the case of a corporation its successors and assigns and the expression "lot", except where the context otherwise requires, means the lot stated in the Particulars of the Lot hereof. Where the context so admits or requires, words importing the masculine gender shall be deemed to include females and corporations, and words in the singular shall be deemed to include the plural.

(b) The foregoing General Conditions shall be read and construed as varied or modified by the Special Conditions hereinafter contained, and the expression "these Conditions" whenever used shall mean and include the General and Special Conditions.

Marginal notes

13. The marginal notes to these Conditions shall not be deemed to be part of these Conditions and shall not affect the interpretation or construction thereof.

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SPECIAL CONDITIONS

Definitions

- (1) For the purpose of these Conditions,
 - (a) "Plan I" means the Plan I annexed hereto;
 - (b) "Plan II" means the Plan II annexed hereto;
 - (c) "Plan III" means the Plan III annexed hereto;
 - (d) "Site A" means collectively those portions of the lot shown and marked "SITE A" on Plan II;
 - (e) "Site B" means, subject to Special Condition No. (6) hereof, that portion of the lot shown and marked "SITE B" on Plan II;
 - (f) "Site C" means, subject to Special Condition No. (6) hereof, that portion of the lot shown and marked "SITE C" on Plan II;
 - (g) "the Sites" means collectively Site A, Site B and Site C;
 - (h) "any Site" means any of the Sites;
 - (i) "the Residential Accommodation" means accommodation and facilities for private residential purposes;
 - (j) "the Commercial Accommodation" means accommodation and facilities for commercial purposes other than the Railway Complex (as hereinafter defined in Special Condition No. (24)(c) hereof); and
 - (k) "the Maximum Residential Gross Floor Area" means the maximum gross floor area of the Residential Accommodation.

Surrender

(2) The Grantee shall at his own expense surrender to the Government free of cost the piece or parcel of ground described in the Second Schedule hereto to the satisfaction of the Director contemporaneously with the execution of this Agreement.

Indemnify Government against existing structures

(3) The Grantee acknowledges that there are some buildings and structures existing on or above or under or projecting over the piece or parcel of ground described in the Second Schedule hereto. The Government will accept no responsibility or liability for any damage, nuisance or disturbance caused to or suffered by the Grantee by reason of the presence of the said buildings and structures and the Grantee shall indemnify and keep indemnified the Government from and against all liability, claims, costs, demands, actions or other proceedings whatsoever arising whether directly or indirectly out of or in connection with the presence and subsequent demolition of the said buildings and structures.

Premium

(4) (a) Having paid the deposit equal to 10% of the premium of HK\$2,003,680,000.00 for Site A, the Grantee shall pay to the Government upon the execution of this Agreement by the Grantee the sum of HK\$1,803,312,000.00 being the balance of the premium for Site A.

(b) The Grantee shall pay to the Government in one lump sum the premium for Site B on or before the expiration of 42 calendar months from the date of this Agreement or such other date as may be determined by the Director after taking due consideration of all the circumstances surrounding the case

net sale price (after deduction of the Government's costs and expenses) obtained by the Government for the Default Sale (which amount is hereinafter referred to as "the Deficiency"); and

(III) interest at the Agreed Rate on the Deficiency from the date upon which the whole of the proceeds from the Default Sale is due to be paid up to and including the date of payment in full of the Deficiency.

(b) The Deficiency and the interest referred to in sub-clauses (a)(i) and (a)(ii) of this Special Condition shall be recoverable by the Government from the Grantee as liquidated damages and in the event the proceeds from the Default Sale is more than the Agreed Premium the difference shall belong to the Government.

(c) In the event the premium for any Site is not agreed in accordance with Special Condition No. (4)(e) hereof, the Director may declare that a Default (as hereinafter defined in Special Condition No. (8) hereof) in respect of that Site has occurred and that the provisions contained in Special Condition Nos. (8)(a) to (8)(s) hereof may take effect in respect of that Site.

Boundaries of the Sites

(6) (a) The Government and the Grantee accept and acknowledge that as at the date of this Agreement, except for the boundary of Site A which is deemed a Fixed Boundary (as hereinafter defined in sub-clause (b) of this Special Condition), the boundaries of Site B and Site C as shown on Plan II are for indication only (which boundaries are hereinafter referred to as "the Indicative Boundaries").

(b) Not less than 9 calendar months before the respective due dates for payment of the premium for Site B and Site C, the Grantee shall fix and obtain the approval of the Director (who may grant the approval subject to such terms and conditions including the payment of premium as he may see fit) to the boundaries of Site B and Site C respectively (the boundary and boundaries as fixed and approved as aforesaid are hereinafter referred to as "the Fixed Boundary" and "the Fixed Boundaries" respectively) and the Fixed Boundary or Boundaries shall not be varied without the prior written approval of the Director who may decline approval or grant approval subject to such terms and conditions (including the payment of premium) as the Director may see fit.

(c) In the event the Grantee fails to fix and obtain the approval of the Director to the boundary of any Site in accordance with sub-clause (b) of this Special Condition or in the event the Fixed Boundary of any Site is identical to the Indicative boundary of that Site the boundary as shown on Plan II in respect of that Site shall be deemed to be the Fixed Boundary of that Site and Plan II shall thereafter be read and construed accordingly.

(d) In the event the Fixed Boundaries of any of Site B and Site C are at variance with the Indicative Boundaries as shown on Plan II the Grantee shall at his own expense within such time limit as may be imposed by the Director register in the Land Registry a wholly revised plan of the Fixed Boundaries of the Sites and upon registration such revised plan shall be deemed to have replaced Plan II and all references in these Conditions to Plan II shall be read and construed as references to the last revised plan so registered.

Allocation of undivided shares of and in the lot

(7) (a) Subject to Special Condition Nos. (20)(b), (26)(a) and (40)(a)(v) hereof the Grantee shall within 18 calendar months from the date of this Agreement or such later date as may be approved in writing by the Director

submit to the Director for his approval a deed poll setting out the undivided shares of and in the whole of the lot and the building or buildings erected or to be erected thereon allocated and distributed for the Sites in proportion to the total gross floor areas of the building or buildings erected or to be erected on the Sites (which undivided shares so allocated are hereinafter referred to as "the Undivided Shares").

(b) The Grantee shall not carry out any building works other than site formation works and such railway related works and other works as may be approved by the Director (which approved works are hereinafter referred to as "the Permitted Works") in respect of any of the Sites unless and until the deed poll referred to in sub-clause (a) of this Special Condition shall have been approved by the Director who in giving approval may impose such terms and conditions as he thinks fit and registered at the Grantee's expense in the Land Registry (which approved deed poll is hereinafter referred to as "the Approved Deed Poll"). No amendment, variation, modification or substitution to the Approved Deed Poll shall be made by the Grantee except with the prior written approval of the Director who may decline approval or grant approval on such terms and conditions as the Director may see fit. Any amendment, variation, modification or substitution by the Grantee of the Approved Deed Poll as approved by the Director under this sub-clause shall be registered by the Grantee at his own expense in the Land Registry and shall thereafter be deemed to be incorporated into the Approved Deed Poll and form part thereof.

(c) The Grantee shall adhere to the Approved Deed Poll in the DMC (as hereinafter defined in Special Condition No. (40) hereof) and in all dealings and transactions of the Undivided Shares of and in the lot or any part thereof and the Grantee shall not enter into any deeds or instruments which shall have the effect of substituting or varying or modifying or amending the Approved Deed Poll without the prior written consent of the Director.

(d) For the purpose of these Conditions "building works" and "site formation works" shall be as defined in the Buildings Ordinance, any regulations made thereunder and any amending legislation.

Rights of Government
upon breach by the
Grantee

(8) In the event of any breach, non-observance or non-performance by the Grantee of the provisions of these Conditions or any one of them (which breach, non-observance or non-performance are hereinafter collectively referred to as "the Default") in respect of any Site the following provisions shall during the period commencing on the date of this Agreement and expiring upon the issue of the Occupation Permit by the Building Authority for the building or buildings of that Site (hereinafter referred to as "the Relevant Period") take effect but without prejudice to the rights of the Government whether under these Conditions or under common law, statutes or otherwise in respect of the Site in respect of which the Default has occurred the intent being that during the Relevant Period the Default shall only give rise to rights in respect of that Site and none of the other Sites:-

Vesting of the Undivided
Shares

(a) The Grantee shall forthwith upon demand by the Government and within such time limit as may be imposed by the Director and at the expense of the Grantee vest or assign or transfer by way of assignment or assignments (which document of assignment or assignments are hereinafter referred to as "the Assignment") in favour of the Government or its nominee (the Government or its nominee in whose favour the Assignment is made is hereinafter referred to as "the Assignee") in such form and with such provisions as may be required or approved by the Director free of costs, expenses and consideration and free from encumbrances all the estate benefit title interest and rights of and in or appertaining to the Undivided Shares (which Undivided Shares so assigned are

hereinafter referred to as "the Vested Undivided Shares") together with the sole and exclusive possession of the Site or Sites and the building or buildings or any part thereof erected or partly erected thereon to which the Default relates (which Site or Sites together with the building or buildings or part thereof erected or partly erected thereon are hereinafter collectively referred to as "the Vested Site") together with the right:-

- (i) to erect, construct and develop or continue to erect construct and develop the Vested Site in accordance with these Conditions in such manner as the Assignee may deem fit and subject to and with the benefit of the DMC referred to in Special Condition No. (40) hereof and to thereafter hold use occupy enjoy and to receive rents and profits therefrom; and
- (ii) subject to Special Condition No. (38) hereof and sub-clause (b) of this Special Condition to assign, transfer, dispose of the Vested Undivided Shares together with all the estate benefit title interest and rights of and in or appertaining thereto together with the exclusive possession of the Vested Site or any part thereof.

Right to assign by the Government

(b) The Government and The Financial Secretary incorporated a corporation sole incorporated under and by virtue of the Financial Secretary Incorporation Ordinance, any regulations made thereunder and any amending legislation (hereinafter referred to as "F.S.I." which expression shall if the context permits include its successors and assigns) (if it is the Assignee) only but not any other Assignee or its or their assigns, shall have the right at any time to sell, assign, let, lease, grant licences over, share, part with possession of, mortgage, charge or otherwise deal with or dispose of the Vested Undivided Shares and the Vested Site or any part or parts thereof at any time as the Government or F.S.I. deems fit. The assignee in such disposal shall be deemed for the purpose of these Conditions to be the Assignee.

(c) Notwithstanding the completion of the Assignment by the Grantee in favour of the Government or its nominee, the Grantee shall at his own expense and within such time limit and to such standards and in such manner as may be required by the Director carry out all works or any outstanding or remaining works on the lot or any part or parts of the lot which the Director shall decide as being necessary works so as to facilitate the development of the Vested Site or any part or parts thereof (hereinafter referred to as "the Works").

Possession and re-delivery of the Vested Site

(d) For the purpose only of carrying out the Works, the Grantee shall at such time as may be determined by the Assignee be granted possession of the lot or that part or parts of the lot upon which the Works are to be carried out. The lot or that part or parts thereof which possession has been granted to the Grantee pursuant to this sub-clause shall be re-delivered on demand free of costs, expenses and consideration and in any event shall be deemed to have been re-delivered to the Assignee on the date of a letter from the Assignee indicating that the Works have been completed to his satisfaction. The Grantee shall at all times while he is in possession of the lot or any part thereof allow free access to over and along the lot or any part thereof for the Government or F.S.I. (if it is not the Assignee) and the Assignee and its or their authorized persons for the purposes of inspecting the Works.

Indemnity for the Works

(e) The Grantee shall indemnify and keep indemnified the Government or F.S.I. (if it is not the Assignee) and the Assignee from and against all liabilities, costs, expenses, damages, claims, actions, demands and proceedings of whatsoever nature arising out of or in connection with the Works and any defects.

wants of repair, imperfections, breakdown, faults thereof and any of the Works which are outstanding and:-

- (i) which may exist at the date of re-delivery of possession by the Grantee of the lot or any part thereof and the Works pursuant to sub-clause (d) of this Special Condition; and
- (ii) which shall occur or become apparent within a period of 365 days after the date of re-delivery of possession by the Grantee of the lot or any part thereof and the Works pursuant to sub-clause (d) of this Special Condition.

Rectification of defects

(f) The Grantee shall at his own expense when required by the Director and within such time and to such standard and in such manner as may be specified by the Director carry out all works of maintenance, repair, amendment, reconstruction and rectification and any other works as may be necessary to remedy and rectify any defects, wants of repair, imperfections, breakdown, faults in respect of the Works and in respect of the other works done by the Grantee on the Vested Site occurring and which may occur during the period specified in sub-clauses (e)(i) and (e)(ii) of this Special Condition.

Cost and Interest of the Works

(g) In the event the Grantee shall fail to carry out the Works or the works referred to in sub-clause (f) of this Special Condition, such works may be carried out by the Assignee or its authorized person or persons and all costs and charges incurred in connection with such works (which amount or amounts as may be determined by the Assignee shall be final and binding on the Grantee) shall be paid on demand by the Grantee to the Assignee or its authorized person or persons with interest on such amount or amounts calculated from the date of demand until the date of actual payment at a rate to be determined by the Assignee whose determination shall be final and binding on the Grantee.

Delivery of copies of deeds

(h) On completion of the Assignment, the Grantee shall deliver to the Assignee at the expense of the Grantee one set of the original or certified copies of deeds and documents of title relating to the lot and the memorial of the Assignment verified by the certificate of the solicitor for the Grantee (if demanded by the Assignee). Any stamp duty payable on the Assignment and all Land Registry fees payable on registration of the Assignment shall be borne by the Grantee.

Submission of the DMC

(i) In the event Special Condition No. (40) hereof shall not have been complied with at the time of the exercise of the rights by the Government pursuant to sub-clause (a) of this Special Condition, the Grantee shall at his own expense prepare and submit to the Assignee for his approval within such time limit as he may impose a draft of the DMC (as hereinafter defined in Special Condition No. (40) hereof) and upon approval by the Assignee the Grantee shall forthwith take all necessary steps to obtain the approval of the Director to the DMC (as hereinafter defined in Special Condition No. (40) hereof) prior to the completion of the Assignment.

Copyrights of the Plans and Drawings

(j) The Grantee shall at the same time as the execution of the Assignment assign or transfer to the Assignee in such form and with such provisions as may be required by the Director free of costs and expenses copyrights of and deliver up possession of or cause or procure assignment or transfer of and delivery up of possession of all original drawings, designs and plans (hereinafter collectively referred to as "the Plans and Drawings") including but not limited to the Approved Master Layout Plans referred to in Special Condition No. (11) hereof, the Approved Landscaping Proposals referred to in Special Condition No. (12) hereof and the Approved Building Plans referred to in

Special Condition No. (13) hereof which in the opinion of the Director (whose opinion shall be final and binding on the Grantee) relate to or pertain to or affect the Vested Site.

Procurement of the Plans and Drawings

(k) The Grantee shall within 30 days from the date of this Agreement procure a written undertaking or undertakings to be delivered to the Director in such form and with such provisions as may be determined by the Director from the owner or owners (if not the Grantee) of the copyrights of the Plans and Drawings to the Government that the owner or owners of the Plans and Drawings shall assign or transfer the copyrights and deliver up possession of all originals of the Plans and Drawings free of costs and expenses to the Assignee forthwith upon the exercise of the rights by the Government pursuant to sub-clause (a) of this Special Condition.

Assignment of the Plans and Drawings

(l) The Assignee shall have the right to assign or transfer the copyrights of the Plans and Drawings to any person or persons or corporation or corporations on such terms and conditions as the Assignee may in its absolute discretion determine without the concurrence or approval of the Grantee or the owner or owners (if not the Grantee) of the copyrights of the Plans and Drawings.

No guarantee of development

(m) The Grantee acknowledges and agrees that the Government (if it is not the Assignee) or the Assignee in no way represents or warrants by virtue of these Conditions or by any action taken in the exercise by the Government of the rights conferred under sub-clause (a) of this Special Condition that the Vested Site will be developed in accordance with these Conditions or the Plans and Drawings or at all and the Government (if it is not the Assignee) or the Assignee shall not be under any liability whatsoever to the Grantee for any loss or damage whatsoever and howsoever caused as a consequence of the Vested Site not being developed in accordance with the Plans and Drawings or at all.

Rights of access by the Assignee

(n) There are excepted and reserved to the Government (if it is not the Assignee) and the Assignee and all persons authorized by it or them and its or their successors and assigns throughout the term hereby agreed to be granted the following rights which may be exercisable free of costs and charges at any time upon the exercise by the Government of the rights conferred by sub-clause (a) of this Special Condition:-

- (i) rights to enter into and upon and through the lot and any buildings structures and erections erected or to be erected thereon or any part thereof with all necessary equipment, vehicles, plant and materials for the purposes of inspection and carrying out site investigation works and developing the Vested Site and subsequent enjoyment, use, occupation and maintenance of the buildings, structures and facilities erected or to be erected thereon and for those purposes to carry out all such works, in, under, on, through or over the lot and any of the buildings structures and erections erected or to be erected thereon or any part thereof as the Director may from time to time see fit; and
- (ii) rights to all necessary easements, rights of way, rights of support and the passage of gas, electricity, water, soil, drainage, air, smoke or other effluent, telephone lines, cooling water and other services to and from the Vested Site or any part or parts thereof through any gutters, pipes, wires, cables, sewers, drains, ducts, flues, conduits and watercourses and other conducting media laid or to be laid or passing along, through, over, upon, under or in the lot or any

buildings, structures and erections thereon or any part or parts thereof.

Right of access by the Grantee

(o) There are excepted and reserved to the Grantee and all persons authorized by it and its or their successors and assigns throughout the term hereby agreed to be granted the following rights which may be exercisable free of costs and charges at any time upon the exercise by the Government of the rights conferred by sub-clause (a) of this Special Condition:-

(i) rights to enter into and upon and through all parts of the Vested Site or any part thereof with all necessary equipment, vehicles, plant and materials for the purposes of inspection and carrying out site investigation works and developing any Site (other than the Vested Site unless so required by sub-clause (c) of this Special Condition) and subsequent enjoyment, use, occupation and maintenance of the buildings, structures and facilities erected or to be erected thereon and for those purposes to carry out all such works, in, under, on, through or over the lot and any of the buildings structures and erections erected or to be erected thereon or any part thereof; and

(ii) rights to all necessary easements, rights of way, rights of support and the passage of gas, electricity, water, soil, drainage, air, smoke or other effluent, telephone lines, cooling water and other services to and from any Site or any part or parts thereof or any buildings, structures and erections thereon or any part thereof through any gutters, pipes, wires, cables, sewers, drains, ducts, flues, conduits and watercourses and other conducting media laid or to be laid or passing along, through, over, upon, under or in the Vested Site or any buildings, structures and erections thereon or any part or parts thereof.

Government's rights to amend plans

(p) There is excepted and reserved to the Government and F.S.I. (if it is the Assignee) only but not any other Assignee or its or their assigns in its own name or in the name of the Grantee or on its behalf the right to amend or modify these Conditions and the Plans and Drawings in so far as it relates to or affects the Vested Site in such manner as the Government or F.S.I. sees fit without reference to, concurrence or approval of the Grantee.

Power to execute

(q) The Grantee hereby irrevocably appoints the Government (who shall have full power of substitution and revocation and may act through such officers, employees, agents, nominees, and substitute attorneys as it may from time to time appoint) as its attorney by way of security in its name and on its behalf to do all acts, deeds, matters and things and to execute, sign seal and deliver as the act of the Grantee the Assignment or such deeds, documents or instruments which are or may be expedient or necessary in giving effect to sub-clauses (a), (j) and (p) of this Special Condition or the exercise of all or any of the rights therein provided in favour of the Government or its nominee.

No liability

(r) Save as provided in Special Condition No. (73) hereof, no liability shall be attached to the Government or F.S.I. (if it is the Assignee) and all person or persons authorized by it or them in respect of any loss, damage, nuisance or disturbance whatsoever caused to or suffered by the Grantee arising out of or incidental to the exercise by it or them of the rights conferred under this Special Condition and no claim shall be made by the Grantee against the Government or F.S.I. and all persons authorized by it or them in respect of any such loss.

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damage, nuisance or disturbance.

(s) For the purpose of this Special Condition, the expression "Grantee" shall mean only the person entering into and executing this Agreement.

Possession of the lot

(9) (a) Subject to compliance with Special Condition No. (2) hereof and to the payment of the premium for Site A in accordance with Special Condition No. (4)(a) hereof, possession of the lot shall be deemed to have been given to and taken by the Grantee on the date of this Agreement.

Acceptance of the lot as at the date of possession

(b) The Grantee shall accept the lot in such state and condition and with such structures and foundations as existing at the date on which possession of the lot is given and hereby agrees not to make any claims whatsoever against the Government in respect thereof.

Commencement of building works

(10) Upon possession of the lot being given and taken in accordance with Special Condition No. (9) hereof, the Grantee shall in all respects in accordance with these Conditions and subject to Special Condition Nos. (7)(b), (11)(e), (12)(b), (13)(b) and (17)(h):

(a) carry out building works in respect of Site A; and

(b) not carry out building works in respect of Site B and Site C unless and until the premium in respect of the Site to which building works relate shall have been paid in accordance with Special Condition Nos. (4)(b) and (4)(c) hereof as the case may be.

Master Layout Plans

(11) (a) The Grantee shall within 18 calendar months from the date of this Agreement (or such other date as may be determined by the Director (whose determination shall be final and binding on the Grantee)) submit or cause to be submitted by his authorized person (as defined in the Buildings Ordinance, any regulations made thereunder and any amending legislation) to the Director for his approval Master Layout Plans (hereinafter referred to as "Master Layout Plans") showing delineated and coloured thereon:-

(i) the position, widths and levels of any proposed roads and pedestrian ways;

(ii) the nature, height, site coverage and gross floor area of the buildings proposed to be erected on the lot, including the disposition, location and distribution of such buildings in relation to the proposed site formation levels and the topography of the lot;

(iii) any communal open space together with an indication of hard and soft landscaping and recreational facilities proposed to be provided on the lot;

(iv) an indication of vehicle parking proposals; and

(v) the stages or phases by which it is proposed to develop the lot.

(b) Upon written approval by the Director of the Master Layout Plans a copy thereof shall be signed by the Director and the Grantee and thereafter shall be deposited by the Grantee with the Director.

(c) The approved Master Layout Plans (hereinafter referred to as "the

Approved Master Layout Plans") shall not be amended, varied, altered, modified or substituted without the prior written consent of the Director who may in granting such consent impose such conditions including payment of additional premium and no amendment, variation, alteration, modification or substitution of the Approved Master Layout Plans shall be valid or binding on the Government or the Grantee unless a record thereof shall have been signed by the Director and the Grantee and deposited by the Grantee with the Director.

(d) The lot or any part thereof shall not be developed or redeveloped except in accordance with the Approved Master Layout Plans and no building or structure which is not shown on the Approved Master Layout Plans shall be erected, constructed or maintained on or within the lot.

(e) No building, landscaping or any other works other than site formation works and the Permitted Works shall be commenced on the lot or on any part thereof until the Master Layout Plans have been approved in writing by the Director.

Landscaping

(12) (a) The Grantee shall within 18 calendar months from the date of this Agreement (or such other date as may be determined by the Director (whose determination shall be final and binding on the Grantee)) submit or cause to be submitted to the Director for his approval landscaping proposals indicating a landscape treatment for the lot including the planting and hard finishes of all landscape areas, slopes and retaining structures. Submission of these landscaping proposals shall be made in two stages (hereinafter referred to as "the Conceptual Submission" and "the Detailed Submission").

(b) The Conceptual Submission shall provide basic information on the landscaping proposals including a survey and treatment of existing tree, site layout and formation levels, conceptual form of building development and such other information as the Director may require. No building or any other works other than site formation works and the Permitted Works shall be commenced on the lot or any part thereof until the said submission has been approved in writing by the Director.

(c) Upon written approval by the Director of the Conceptual Submission, the Grantee shall submit the Detailed Submission including schedules and drawings (at a scale of 1:200 or larger) and such other information as the Director may require giving details of the hard and soft landscaping layouts and works in accordance with the approved Conceptual Submission.

(d) Upon development or redevelopment of the lot, the Grantee shall landscape the lot in accordance with the Conceptual Submission and the Detailed Submission as approved (which approved Conceptual Submission and Detailed Submission are hereinafter referred to as "the Approved Landscaping Proposals") and no amendment, variation, alteration, modification or substitution shall be made without the prior written consent of the Director.

(e) The Grantee shall thereafter keep and maintain the landscape works in a safe, clean, neat, tidy, functional and healthy condition all to the satisfaction of the Director.

Building Plans

(13) (a) The Grantee shall, prior to the development or redevelopment of the lot or any part thereof, submit building plans for the development of the lot or any part thereof to the Building Authority for its approval which plans shall also be subject to the written approval of the Director and shall in all respects comply with these Conditions, the Master Layout Plans and the Conceptual Submission. ✓

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Compliance with Building Plans

- (b) (i) No building works other than site formation works and the Permitted Works shall commence on any Site or any part thereof until the said building plans which relate to that Site shall have been approved in writing by the Building Authority and the Director in accordance with sub-clause (a) of this Special Condition (which approved building plans are hereinafter referred to as "the Approved Building Plans"). The Grantee shall not carry out any building works on the lot or any part thereof except in accordance with the Approved Building Plans.
- (ii) No amendment, variation, alteration, modification or substitution to the Approved Building Plans shall be made by the Grantee except with the prior written approval of the Building Authority and the Director. The Director may in granting approval require payment of such premium as he may determine. Any amendment, variation, alteration, modification or substitution by the Grantee as approved by the Building Authority and the Director under this sub-clause shall be deemed to be incorporated into the Approved Building Plans and form part thereof.

Building Covenant

(14) (a) The Grantee shall develop the lot by the erection thereon of a building or buildings complying in all respects with these Conditions and all Ordinances, bye-laws and regulations relating to building, sanitation and planning which are or may at any time be in force in Hong Kong.

- (b) (i) The building or buildings and all parts of building erected or to be erected within Site A shall be completed and made fit for occupation on or before the expiration of 60 calendar months from the date of this Agreement.
- (ii) The building or buildings and all parts of building erected or to be erected within Site B shall be completed and made fit for occupation on or before the expiration of 48 calendar months from the due date for payment of the premium for Site B or such other date to be determined by the Director at his absolute discretion (the determination of the Director shall be final and binding on the Grantee), whichever is the later.
- (iii) The building or buildings and all parts of building erected or to be erected within Site C shall be completed and made fit for occupation on or before the expiration of 48 calendar months from the due date for payment of the premium for Site C or such other date to be determined by the Director at his absolute discretion (the determination of the Director shall be final and binding on the Grantee), whichever is the later.

User

(15) (a) Subject to these Conditions and in particular subject to sub-clauses (b) and (c) of this Special Condition, the lot or any part thereof or any building or buildings erected or to be erected thereon shall not be used for any purpose other than for non-industrial (excluding godown, petrol filling station and hotel) purposes.

(b) The Railway Station (as hereinafter defined in Special Condition No. (24)(a) hereof) shall not be used for any purpose other than for the purpose of

a railway station and purposes ancillary to the use, operation and management of railway (for the avoidance of doubt excluding staff housing and including within station premises only the provision of services or articles for the use or enjoyment of passengers on the MOS Rail (as hereinafter defined in Special Condition No. (24)(a) hereof)) and such other purposes as may be approved in writing by the Director who may in giving approval impose such terms and conditions as he thinks fit including the payment of premium.

(c) The Station Carpark (as hereinafter defined in Special Condition No. (24)(b) hereof) shall not be used for any purpose other than for the parking of motor vehicles by persons using the MOS Rail (as hereinafter defined in Special Condition No. (24)(a) hereof) and such other purposes as may be approved in writing by the Director who may in giving approval impose such terms and conditions as he thinks fit including the payment of premium.

(d) Without prejudice to the generality of sub-clause (a) of this Special Condition, the lot or any part thereof or any building or part of any building erected or to be erected on the lot shall not be used for any purpose other than for which it is designed, constructed and intended in accordance with these Conditions, the Approved Building Plans, the Approved Master Layout Plans and the Approved Landscaping Proposals.

Preservation of trees

(16) No tree growing on the lot or adjacent thereto shall be removed or interfered with without the prior written consent of the Director who may, in granting consent, impose such conditions as to transplanting, compensatory landscaping or replanting as he may deem appropriate.

Development conditions

(17) Subject to these Conditions, upon development or redevelopment (which term refers solely to redevelopment contemplated in General Condition No. 6 hereof) of the lot or any part thereof:-

(a) the Grantee shall only erect, construct, provide and maintain upon the lot the following accommodation and facilities:-

(i) within Site A, accommodation and facilities made up or to be made up as follows:-

(I) the Railway Station (as hereinafter defined in Special Condition No. (24)(a) hereof);

(II) the Station Carpark (as hereinafter defined in Special Condition No. (24)(b) hereof);

(III) the Government Accommodation (as hereinafter defined in Special Condition No. (18)(a) hereof);

(IV) the Residential Accommodation with a total gross floor area of not less than 40,191 square metres and not more than 66,985 square metres; and

(V) the Commercial Accommodation including the Kindergarten (as hereinafter defined in Special Condition No. (42)(a) hereof) with a total gross floor area of not less than 2,400 square meters and not more than 4,000 square metres;

(ii) within Site B, the Residential Accommodation with a total gross floor area of not less than 31,479 square metres and

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not more than the Approved Maximum Residential Gross Floor Area of Site B; and

(iii) within Site C, the Residential Accommodation with a total gross floor area of not less than 29,520 square metres and not more than the Approved Maximum Residential Gross Floor Area of Site C;

Compliance with Building Ordinance

(b) any building or buildings erected or to be erected on the lot shall in all respects comply with the Buildings Ordinance, any regulations made thereunder and any amending legislation;

Compliance with Town Planning Ordinance

(c) no building or buildings may be erected on the lot or any part thereof or upon any area or areas outside the lot specified in these Conditions, nor may any development or use of the lot or any part thereof, or of any area or areas outside the lot specified in these Conditions take place, which does not in all respects comply with the requirements of the Town Planning Ordinance, any regulations made thereunder and any amending legislation;

Maximum and minimum total gross floor area

(d) the total gross floor area of any building or buildings erected or to be erected on the lot shall not be less than 103,590 square metres and not be more than 172,650 square metres;

Maximum and minimum total gross floor area for Residential Accommodation

(e) the total gross floor area of any building or buildings erected or to be erected on the lot for Residential Accommodation shall not be less than 101,190 square metres and not be more than 168,650 square metres;

Maximum and minimum total gross floor area for Commercial Accommodation

(f) the total gross floor area of any building or buildings erected or to be erected on the lot for Commercial Accommodation including the Kindergarten (as hereinafter defined in Special Condition No. (42)(a) hereof) shall not be less than 2,400 square metres and not be more than 4,000 square metres;

Height

(g) no part of any building or other structure erected or to be erected on the lot together with any addition or fitting (if any) to such building or structure may exceed the aggregate height of 183 metres above the Hong Kong Principal Datum, provided that with the prior written approval of the Director, machine rooms, air-conditioning units, water tanks, stairhoods and similar roof-top structures may be erected or placed on the roof of the building so as to exceed the above height limit; and

Design, disposition and height

(h) the design, disposition and height of any building or buildings erected or to be erected on any Site shall be subject to the approval in writing of the Director and no building works (other than site formation works and the Permitted Works) shall be commenced on any Site until such approval shall have been obtained.

Government Accommodation

(18) (a) The Grantee acknowledges that there is a public transport interchange on the ground level within Site A, comprising a bus terminus with six bus bays and twelve bus stacking spaces, two green minibus bays, two taxi stands and one general loading and unloading bay and an area with a net operational floor area of not less than 75 square metres reserved for ancillary facilities for bus operators, with access connecting with public roads and provision of ancillary facilities (which public transport interchange (including lighting fixtures, ventilation plant, extract ductworks and road/floor surfaces but excluding such lifts, escalators, stairways, plant, equipment and other facilities not serving exclusively thereto as may be permitted by the Director in accordance with these Conditions, walls, columns, beams, ceilings, roof slabs, carriageway/floor slabs and any other structural elements) together with any

other areas, facilities, services and installations exclusive thereto as the Director may in his absolute discretion determine (whose determination shall be conclusive and binding on the Grantee) are hereinafter collectively referred to as "the Government Accommodation").

(b) The Grantee shall not interfere with the normal operation of the Government Accommodation. No building works that may affect the normal operation of the Government Accommodation shall be carried out except with the prior written approval of the Commissioner for Transport.

(c) The Government hereby reserves the right to alter or vary in its absolute discretion at any time the use of the Government Accommodation or any part thereof.

Gross floor area exemption of the Government Accommodation

(19) The gross floor area of the Government Accommodation shall not be taken into account for the purpose of calculating the total gross floor area stipulated in Special Condition No. (17) hereof. For the purpose of these Conditions, the gross floor area of the Government Accommodation shall be as determined by the Director whose determination in this respect shall be final and binding upon the Grantee.

Assignment of the Government Accommodation

(20) (a) Notwithstanding any provision to the contrary herein contained, the Grantee shall when called upon so to do by the Director assign to F.S.I., with vacant possession, free from encumbrances, at the expense of the Grantee, the undivided shares specified in sub-clause (b) of this Special Condition together with the right to the exclusive use, occupation and enjoyment of the Government Accommodation and the Grantee shall complete the assignment of the Government Accommodation or any part thereof within such time or times as may be specified in writing by the Director.

(b) The number of undivided shares in the whole of the lot to be assigned to F.S.I. in accordance with sub-clause (a) of this Special Condition shall be determined by the Director having regard to the proportion which the gross floor area of the Government Accommodation shall bear to the gross floor area of all the buildings erected or to be erected within the lot. The determination of the Director in this respect shall be final and binding upon the Grantee.

(c) When called upon to do so by the Director (irrespective of whether the Grantee shall have been called upon to assign under sub-clause (a) of this Special Condition), the Grantee shall submit or cause to be submitted to the Director for his approval in writing an Assignment or Assignments in respect of the Government Accommodation or such part thereof as may be required by the Director, which Assignment or Assignments shall be in such form and shall contain such provisions as shall be required or approved by the Director.

(d) On completion of the assignment of the Government Accommodation or any part thereof, the Grantee shall deliver to F.S.I. at the expense of the Grantee one set of the original/certified copies of deeds and documents of title relating to the lot and the Memorial of the Assignment in respect of the Government Accommodation or such part thereof duly completed and verified by the certificate of the solicitor for the Grantee. All Land Registry fees payable on registration of the Assignment or Assignments shall be borne by the Grantee solely.

Consideration for the Government Accommodation

(e) In consideration of the assignment of the Government Accommodation or any part thereof, F.S.I. shall pay to the Grantee HK\$1.00. —

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Possession of
Government
Accommodation

(21) Upon possession of the lot being given and taken in accordance with Special Condition No. (9) hereof, possession of the Government Accommodation shall be deemed to be delivered by the Grantee to the Government for its exclusive use, occupation and operation.

Maintenance of external
finishes and structure of
walls, etc.

(22) (a) The Grantee shall throughout the term hereby agreed to be granted at his own expense and in all respects to the satisfaction of the Director maintain the following items (hereinafter referred to as "the Items"):

- (i) the external finishes of the Government Accommodation and the structure of all walls, columns, beams, ceilings, roof slabs, carriageway/floor slabs and any other structural elements of, in, around, within, above and below the Government Accommodation;
- (ii) all lifts, escalators and stairways serving the Government Accommodation and the remainder of the development on the lot;
- (iii) all building services installations, plant and equipment (including but not limited to portable and non-portable fire services installation equipment) forming part of the system serving the Government Accommodation and the remainder of the development on the lot;
- (iv) all of the structural slabs under the Government Accommodation together with the drainage systems therein and thereunder, and
- (v) all other common parts and facilities serving the Government Accommodation and the remainder of the development on the lot.

(b) The Grantee shall indemnify and keep indemnified the Government and F.S.I. against all liabilities, damages, expenses, claims, costs, demands, charges, actions and proceedings of whatsoever nature arising out of or as a consequence of the failure of the Grantee to maintain the Items.

(c) For the purpose of this Special Condition only, the expression "Grantee" shall exclude F.S.I..

Provision of sales office
and show flats

(23) Notwithstanding the maximum gross floor area permitted under Special Condition No. (17) hereof, the Grantee may use part or parts of the building or buildings erected or to be erected on the lot in accordance with these Conditions and erect on part or parts of the lot separate temporary structures for the purposes of a sales office and show flats and related marketing activities to facilitate the sale of the building or buildings or any part or parts thereof erected or to be erected on the lot in accordance with these Conditions, provided that the scale and period of operation of such sales office and show flats and related marketing activities shall be subject to the prior written approval of the Director and such other terms and conditions as the Director shall in his absolute discretion see fit to impose.

Operation and
maintenance of the
Railway Station

(24) (a) The Grantee shall at his own expense provide operate and maintain in all respects to the satisfaction of the Director in accordance with these Conditions and the Approved Building Plans (if appropriate) within Site A a railway station together with such ancillary railway structures, facilities and roads (hereinafter referred to as "the Railway Station") for the operation of the

East Rail Extension between Tai Wai and Wu Kai Sha (hereinafter referred to as "the MOS Rail").

Construction, operation and maintenance of the Station Carpark

(b) In addition to the requirements referred to in Special Condition Nos. (44) and (46) hereof, the Grantee shall within 60 months from the date of this Agreement or such later date as may be approved in writing by the Director provide within Site A to the satisfaction of the Director a Station Carpark comprising 65 spaces or such other number as may be approved in writing by the Director who in giving approval may include such terms and conditions as he sees fit (hereinafter referred to as "the Station Carpark") for the parking of motor vehicles by persons using the MOS Rail which Station Carpark shall be operated to the satisfaction of the Commissioner for Transport.

(c) The Railway Station and the Station Carpark are hereinafter collectively referred to as "the Railway Complex" and the Railway Complex shall not be taken into account for the purpose of calculating the total gross floor area stipulated in Special Condition No(17) hereof.

No hawkers

(d) The Grantee shall not permit or suffer any hawker to carry on business within the Railway Complex, and shall remove therefrom any hawker found to be so doing. Notices to the effect that hawking is prohibited within the Railway Complex shall be displayed prominently by the Grantee near all entrances to the Railway Complex. For the purposes of these Conditions, "hawker" shall be as defined in Section 2 of the Public Health and Municipal Services Ordinance (Chapter 132) provided that for the purpose of this Special Condition the words "in any public place" shall be omitted from paragraph (a) of such definition and shall be substituted by the words "within the Railway Complex other than any part thereof permitted to be used for commercial purposes in accordance with these Conditions".

Restriction on Alienation of the Railway Complex

(25) The Grantee shall not without the consent in writing of the Director assign, mortgage, charge, demise, underlet, part with possession of or otherwise dispose of or encumber the Railway Complex or any part thereof or any interest therein or the KCR Undivided Shares (as hereinafter defined in Special Condition No. (26) (a) hereof) or enter into any agreement so to do except that the Grantee may:

- (a) underlet or part with the possession of part or parts of the Railway Station for a period of not exceeding 3 years; and
- (b) subject to the payment of a premium of HK\$1,000.00 to the Government (if demanded) enter into one underletting only of the Station Carpark as a whole for a period not exceeding 30 years in the aggregate including any right of renewal for the purpose of operating the Station Carpark as a carpark for persons using the MOS Rail.

Allocation of shares for Railway Complex

(26) (a) The Grantee shall allocate and distribute to the Railway Complex such number of undivided shares of the lot as the Director shall approve (hereinafter referred to as "the KCR Undivided Shares").

Mode of vesting

(b) In the event the KCR Undivided Shares are required to be vested whether pursuant to Special Condition No. (27)(a) hereof or otherwise and notwithstanding any provisions herein contained the Grantee being the owner of the KCR Undivided Shares, shall upon demand made by the Government within such time limit as may be imposed transfer and assign at the expense of the Grantee free of costs and consideration and free from encumbrances to F.S.I. in a form satisfactory to the Director the KCR Undivided Shares together with the

right to the exclusive use and occupation of the Railway Complex. In the event of the Grantee failing to complete such transfer and assignment the Director shall be and is hereby in such event irrevocably appointed the Attorney of the Grantee for the purpose of executing and completing such transfer and assignment on his behalf to F.S.I..

(c) For the purposes of this Special Condition, the expression "Grantee" shall mean only the person entering into and executing this Agreement.

Non-use of the Railway Complex

(27) (a) If at any time the Director is satisfied that the Railway Complex or any part thereof is no longer required for the purposes specified in Special Condition No. (15)(b) or (15)(c) hereof or both, it shall be lawful for the Government to re-enter upon and take back possession of the Railway Complex or any part thereof without notice, and the rights of the Grantee in and to the same under this Agreement shall thereupon absolutely cease and determine and subject to the provisions of Special Condition No. (26)(b) hereof the KCR Undivided Shares or interest relating to the Railway Complex or any part thereof shall vest in F.S.I..

(b) In the event the Railway Complex or any part thereof is re-entered upon and taken back pursuant to sub-clause (a) of this Special Condition notwithstanding anything contained in these Conditions, the Railway Complex or such part thereof may be used for any purposes as the Government deems fit and the Government shall have full power to deal with the Railway Complex or such part thereof as it deems fit free of all rights or claims on the part of the Grantee.

Railway Complex protection

(28) (a) No building works, foundation works or any other works on or within the lot or any part thereof shall damage, interfere with, obstruct or endanger the safety or the operation of the MOS Rail, the Railway Complex or any structures or installations in relation to the MOS Rail (hereinafter collectively referred to as "the Railway Structures and Installations") in or passing through or in the vicinity of the lot or any part thereof. The Grantee shall at his own expense take such measures and precautions as may be required by the Director as to ensure the safety of the Railway Structures and Installations and the operation of the MOS Rail and the Railway Complex.

(b) Throughout the whole of the term hereby agreed to be granted the Grantee shall comply with and observe to the satisfaction of the Director of Buildings all the requirements imposed by the Director of Buildings to protect the Railway Structures and Installations.

Access to the Railway Complex by the Government

(29) (a) The Grantee shall throughout the term hereby agreed to be granted permit the Government, its officers, servants and agents and any other persons authorized by it or them the right of free ingress, egress and regress to, from and through the lot and any structure or structures erected or to be erected thereon at all reasonable times (upon giving not less than 14 days' prior notice except in the case of any emergency) with or without tools, motor vehicles or equipment for the purposes of inspection of the Railway Structures and Installations and public roads and highways structures or any part thereof.

(b) Save as provided in Special Condition No. (73) hereof, the Government, its officers, servants and any other persons authorized by it or them shall have no liability in respect of any loss, damage, nuisance or disturbance whatsoever caused to or suffered by the Grantee arising out of or incidental to the exercise by him or them the rights conferred under sub-clause (a) of this Special Condition, and no claim shall be made against him or them by the Grantee in respect of any such loss, damage, nuisance or disturbance. _____

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Access to the Railway
Complex by the public

(30) The Grantee shall throughout the term hereby agreed to be granted permit at all times members of the public with all types of vehicles (if appropriate) for all lawful purposes freely and without payment of any nature whatsoever to enter into, upon and through those part or parts of the lot and in, under, through, on or over any buildings, structures and erection thereon designated by the Grantee for the purpose of access to and from the Railway Complex.

Recreational facilities

(31) (a) The Grantee may erect, construct, provide within the lot such recreational facilities and facilities ancillary thereto (hereinafter referred to as "the Facilities") as may be approved in writing by the Director. The type, size, design, height and disposition of the Facilities shall also be subject to the prior written approval of the Director.

(b) The Facilities provided in accordance with sub-clause (a) of this Special Condition shall only be used by any one or more residents of the residential block or blocks erected or to be erected on the lot and their bona fide visitors and by no other person or persons whatsoever.

(c) For the purpose of calculating the total gross floor area stipulated in Special Condition No. (17) hereof, any part of the Facilities provided within the lot in accordance with sub-clause (a) of this Special Condition which are for the common use and benefit of all the residents of the residential block or blocks erected or to be erected on the lot and their bona fide visitors shall not be taken into account. The remaining part of the Facilities which are not for such use shall be taken into account for such calculation.

(d) In the event that any part of the Facilities is exempted from the gross floor area calculation pursuant to sub-clause (c) of this Special Condition:

- (i) such part of the Facilities shall be designated as and form part of the Common Areas referred to in Special Condition No. (40)(a)(v) hereof; and
- (ii) the Grantee shall at his own expense maintain such part of the Facilities in good and substantial repair and condition and shall operate such part of the Facilities to the satisfaction of the Director.

Office accommodation
for watchmen and
caretakers

(32) (a) Office accommodation for watchmen or caretakers or both may be provided within the lot subject to the following conditions:

- (i) such accommodation is in the opinion of the Director essential to the safety, security and good management of the building or buildings erected or to be erected on the lot;
- (ii) such accommodation shall not be used for any purpose other than office accommodation for watchmen or caretakers or both, who are wholly and necessarily employed on the lot; and
- (iii) the location of any such accommodation shall first be approved in writing by the Director.

(b) For the purpose of calculating the total gross floor area stipulated in Special Condition No. (17) hereof, office accommodation provided within the lot in accordance with sub-clause (a) of this Special Condition which does not

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exceed 5 square metres for every 50 residential units or part thereof erected or to be erected on the lot, or 5 square metres for every block of residential units erected or to be erected on the lot, whichever calculation provides the greater floor area of such accommodation, shall not be taken into account. Any gross floor area in excess of the said greater floor area shall be taken into account for such calculation.

(c) Office accommodation provided within the lot in accordance with sub-clause (a) of this Special Condition shall be designated as and form part of the Common Areas referred to in Special Condition No. (40)(a)(v) hereof.

Quarters for watchmen and caretakers

(33) (a) Quarters for watchmen or caretakers or both may be provided within the lot subject to the following conditions:

- (i) such quarters shall be located in one of the blocks of residential units erected on the lot or in such other location as may be approved in writing by the Director,
- (ii) such quarters shall be provided with self-contained toilet, showering, washing and kitchen facilities; and
- (iii) such quarters shall not be used for any purpose other than the residential accommodation of watchmen or caretakers or both, who are wholly and necessarily employed within the lot.

(b) For the purpose of calculating the total gross floor area stipulated in Special Condition No. (17) hereof, quarters provided within the lot in accordance with sub-clause (a) of this Special Condition with a total gross floor area of not exceeding 25 square metres shall not be taken into account. Any gross floor area in excess of 25 square metres shall be taken into account for such calculation.

(c) Quarters for watchmen or caretakers or both provided within the lot in accordance with sub-clause (a) of this Special Condition shall be designated as and form part of the Common Areas referred to in Special Condition No. (40)(a)(v) hereof.

Owners' Corporation/
Owners' Committee
Office

(34) (a) One office for the use of the Owners' Corporation or the Owners' Committee may be provided within the lot provided that:

- (i) such office shall not be used for any purpose other than for meetings and administrative work of the Owners' Corporation or Owners' Committee formed or to be formed in respect of the lot and the buildings erected or to be erected thereon; and
- (ii) the location of any such office shall first be approved in writing by the Director.

(b) For the purpose of calculating the total gross floor area stipulated in Special Condition No. (17) hereof, an office provided within the lot in accordance with sub-clause (a) of this Special Condition which does not exceed 20 square metres shall not be taken into account. Any gross floor area in excess of 20 square metres shall be taken into account for such calculation.

(c) An office provided in accordance with sub-clause (a) of this Special Condition shall be designated as and form part of the Common Areas referred to

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in Special Condition No. (40)(a)(v) hereof.

Pedestrian link

(35) (a) The Grantee shall at his own expense and in all respects to the satisfaction of the Director lay, form, provide, construct and surface such segregated pedestrian ways or paths (together with such stairs, ramps, lightings, passenger lifts and escalators as the Director in his absolute discretion may require) for the purposes as specified in the sub-clause (b) of this Special Condition at such positions, in such manner, with such materials and to such standards, levels, alignment and designs as the Director shall approve.

(b) The segregated pedestrian ways or paths referred to in sub-clause (a) of this Special Condition shall follow the shortest possible route and shall be covered and constructed and designed so as to:

- (i) link up each and every building to be erected on the lot at such locations and levels of the building as the Director shall approve; and
- (ii) link up all major facilities within the lot including the Railway Station, the Station Carpark, the Government Accommodation, shops, residential blocks, open space, subways, footbridges and community facilities provided thereon.

(c) The Grantee shall throughout the whole term hereby agreed to be granted manage and maintain at his own expense the segregated pedestrian ways or paths (together with such stairs, ramps, lightings, passenger lifts and escalators) required to be provided under this Special Condition in good and substantial condition and repair to the satisfaction of the Director.

Provision of pedestrian walkways

(d) The Grantee shall at his own expense and in all respects to the satisfaction of the Director provide :

- (i) a pedestrian walkway with a width of not less than 6 metres so as to link up the Government Accommodation, the Railway Station, the Footbridge referred to in Special Condition No. (37) hereof, the ground level of the lot and adjacent footpath and the pedestrian walkway shall comprise such escalators, passenger lifts, staircases, ramps or such other structures as may be approved or required by the Director to reach the Government Accommodation, the Railway Station, the Footbridge referred to in Special Condition No. (37) hereof, the ground level of the lot and adjacent footpath; and
- (ii) another pedestrian walkway with a total width of not less than 3.5 metres at ground floor level of the lot so as to link up the Government Accommodation and the pedestrian subway in the position as marked "SUBWAY" on Plan I at the points between U and V through W shown and marked on Plan I or at such other location or locations and at such level or levels as to be determined by the Director.

The decision of the Director as to what constitutes the ground level shall be final and binding upon the Grantee.

(e) The Grantee shall throughout the whole term hereby agreed to be granted manage and maintain at his own expense the pedestrian walkways

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(together with such escalators, passenger lifts, staircases, ramps or such other structures as may be approved or required by the Director) required to be provided under sub-clauses (d)(i) and (d)(ii) of this Special Condition in good and substantial condition and repair to the satisfaction of the Director.

24 hour pedestrian walkways

(f) The Grantee shall throughout the whole term hereby agreed to be granted keep the pedestrian walkways required to be provided under sub-clauses (d)(i) and (d)(ii) of this Special Condition open for the use by the public 24 hours a day free of charge without any interruption.

No dedication

(g) It is hereby agreed, declared and provided that the obligation on the part of the Grantee contained in sub-clause (f) of this Special Condition arises only as a matter of contract between the Grantee and the Government, and that neither the Grantee intends to dedicate nor the Government consents to any dedication of the pedestrian walkways referred to in sub-clause (f) of this Special Condition to the public for the right of passage.

Concession under Building (Planning) Regulations etc.

(h) It is expressly agreed and declared that the obligation on the part of the Grantee contained in sub-clause (f) of this Special Condition will give rise to no expectation of, or claim for or in respect of, any concession or right in respect of additional site coverage or plot ratio whether under Regulation 22(1) of the Building (Planning) Regulations, any amendment thereto, substitution therefor, or otherwise and for the avoidance of doubt the Grantee expressly waives any and all claims in respect of or for any concession in respect of, or right to, additional site coverage or plot ratio under regulation 22(1) of the Building (Planning) Regulations, any amendment thereto or substitution therefor.

(i) For the purpose of this Special Condition, the expression "Grantee" shall exclude F.S.I.

Exemption for area of pedestrian walkways

(36) The Director shall at his sole discretion decide the whole of the area of the pedestrian walkways or paths referred to in Special Condition Nos. (35)(d)(i) and (35)(d)(ii) hereof or parts thereof that may be excluded from the calculation of the total gross floor area specified in Special Condition No. (17) hereof. For the avoidance of doubt, it is hereby agreed that the area of the pedestrian walkway of a width not exceeding 6 metres only as provided under Special Condition No. (35)(d)(i) hereof and the area of the pedestrian walkway of a width not exceeding 3.5 metres only as provided under Special Condition No. (35)(d)(ii) hereof may be excluded from the calculation of gross floor area referred to in this Special Condition.

Construction of structural supports and connections to the Footbridge

(37) (a) The Grantee shall at his own expense on or before such date or dates to be specified in a letter or letters from the Director and in accordance with the Approved Building Plans and in all respects to the satisfaction of the Director erect, provide and construct with such materials and to such standards, levels, alignment, disposition and designs as may be required or approved by the Director and thereafter maintain upon the lot the columns and such other structural supports and connections together with such escalators, lifts, ramps, stairways as may be required by the Director (which facilities, columns, structural supports and connections are hereinafter referred to as "the Footbridge Associated Structures") for linking the lot to the footbridge (hereinafter referred to as "the Footbridge") which is located at the position indicated on Plan 1 and marked "FOOTBRIDGE" or at such other location or locations as may be approved by the Director (hereinafter referred to as "the Locations").

Right of connection

(b) Throughout the term hereby agreed to be granted, there is reserved unto the Director, his officers, contractors, agents, employees and workers and

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the neighbouring lot owners and their contractors, agents, employees, workers with or without motor vehicles, plant, machinery, free of all costs and charges the right to enter into, upon and through the lot or any part or parts thereof and in, under, through, on or over any building or buildings or any part thereof erected thereon:-

(i) to carry out works at the Locations for the purposes of connecting the Footbridge to the Footbridge Associated Structures (which connection works are hereinafter referred to as "the Connections") and to thereafter enjoy the easement of support of the Connections and the Footbridge; and

(ii) to repair and maintain the Connections.

Save as provided in Special Condition No. (73) hereof, the Director, his officers, agents, contractors, employees and workers shall have no liability in respect of any loss, damage, nuisance or disturbance whatsoever caused to or suffered by the Grantee arising out of or incidental to the exercise by him or them of the rights conferred under this sub-clause, and no claim shall be made against him or them by the Grantee in respect of any such loss, damage, nuisance or disturbance.

Temporary closure

(c) When called upon to do so by the Director, the Grantee or the Manager for the time being of the lot or the Owners' Corporation incorporated pursuant to the Building Management Ordinance (Cap.344), any regulations made thereunder and any amending legislation in respect of the lot shall at his or its own expense and in all respects to the satisfaction of the Director execute all necessary works as shall be required and approved by the Director for the temporary closure of any opening in the building or buildings erected or to be erected on the lot so as to enable the Footbridge to be connected thereto. All necessary maintenance works for the temporary closure shall be the responsibility of the Grantee or the Manager for the time being of the lot or the said Owners' Corporation and shall be carried out to the satisfaction of the Director.

No guarantee

(d) For the avoidance of doubt, the Grantee acknowledges and agrees that the Government in no way represents or warrants by virtue of this Special Condition or by any action taken in the exercise by the Government of the rights conferred under this Special Condition that the Footbridge will be constructed in the future and shall be under no liability whatsoever to the Grantee for any loss or damage howsoever arising in connection therewith or as a consequence thereof if the Footbridge will not be constructed in the future.

Pedestrian access from ground level

(e) The Grantee shall throughout the term hereby agreed to be granted at all times and in compliance with any requirements which the Director may impose permit the public for all lawful purposes freely and without payment of any nature whatsoever to pass or repass on foot or by wheelchair along, to and from the Footbridge and the Footbridge Associated Structures forming part thereof or pertaining thereto through the lot or any part thereof or the buildings or any part of the buildings thereon for the purpose of gaining access from and to the public pavement at ground level outside the lot.

(f) It is hereby agreed, declared and provided that the obligation on the part of the Grantee contained in sub-clause (e) of this Special Condition arises only as a matter of contract between the Grantee and the Government, and that neither the Grantee intends to dedicate nor the Government consents to any dedication of any part of the lot and the Footbridge Associated Structures to the public for right of passage.

Concession under
Building (Planning)
Regulations etc.

(g) It is expressly agreed and declared that the obligation on the part of the Grantee contained in sub-clause (e) of this Special Condition will give rise to no expectation of, or claim for or in respect of, any concession or right in respect of additional site coverage or plot ratio whether under Regulation 22(1) of the Building (Planning) Regulations, any amendment thereto, substitution therefor, or otherwise and for the avoidance of doubt the Grantee expressly waives any and all claims in respect of or for any concession in respect of, or right to, additional site coverage or plot ratio under regulation 22(1) of the Building (Planning) Regulations any amendment thereto or substitution therefor.

(h) For the purpose of this Special Condition, the expression "Grantee" shall exclude F.S.I..

Restiction on alienation
before compliance

(38) Save as provided under Special Condition Nos. (8), (20), (21) and (26)(b) hereof and subject to Special Condition No. (25) hereof, prior to compliance with these Conditions in all respects to the satisfaction of the Director the Grantee shall not except with the prior written consent of the Director and in conformity with any conditions imposed by him (including the payment of such fees as may be required by him):-

- (a) assign, part with possession of or otherwise dispose of the lot or any part thereof or any interest therein or any building or part of any building thereon (whether by way of direct or indirect reservation, the grant of any right of first refusal, option or power of attorney, or any other method, arrangement or document of any description) or enter into any agreement so to do;
- (b) solicit or accept, whether directly or indirectly or through a solicitor, agent, contractor or trustee or through a company in which the Grantee or its nominee is directly or indirectly the owner of shares or which is the owner of shares in the Grantee or otherwise, any money, money's worth or other valuable consideration of any description pursuant to any transaction, present or future, conditional or unconditional whereby the lot or any part thereof or any interest therein or any building or part of any building thereon is or may be sold, assigned or otherwise disposed of or affected, or enter into any agreement so to do;
- (c) underlet the lot or any building or part of any building thereon or enter into any agreement so to do unless the tenancy or lease of the lot or any building or part of any building thereon complies with the following terms and conditions:
 - (i) the term of the tenancy or lease shall not exceed 10 years in the aggregate including any right of renewal;
 - (ii) the tenancy or lease shall not commence until after the issue by the Building Authority of an occupation permit or a temporary occupation permit under the Buildings Ordinance, any regulations made thereunder and any amending legislation, covering the building or that part of the building to which the tenancy or lease relates;
 - (iii) no premium shall be paid by the tenant;
 - (iv) the rent payable shall not exceed a rack rent;
 - (v) no rent shall be payable in advance for a period greater than 12 calendar months;
 - (vi) the user permitted in the tenancy agreement or lease or agreement for tenancy or lease shall comply with these Conditions; and

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- (vii) none of the terms and conditions in the tenancy agreement or lease or agreement for tenancy or lease shall contravene these Conditions; or
- (d) mortgage or charge the lot or any part thereof or any interest therein except for the purpose of the development thereof in accordance with these Conditions and then only by way of a building mortgage, it being agreed that for this purpose a building mortgage shall be one:-
- (i) whereby the lot is mortgaged or charged in favour of a licensed bank or a registered deposit taking company authorized under section 16 of the Banking Ordinance to secure monies (and interest thereon) advanced or to be advanced to the Grantee for the purpose only of developing the lot in accordance with these Conditions and for the payment of legal and other professional fees in connection with such development and the mortgage (provided that such fees do not, in the aggregate, exceed 5% of the total amount secured by the mortgage), and for no other purpose;
 - (ii) under which such advances (in the case of work done) are to be made to the Grantee only in amounts to be certified from time to time by the Authorized Person (appointed by the Grantee under the Buildings Ordinance, any regulations made thereunder and any amending legislation for the development of the lot) as having been incurred by the Grantee for the development of the lot;
 - (iii) under which the Grantee, the mortgagee and the Stakeholder (as hereinafter defined) are required, in the event of the Grantee applying for the prior written consent of the Director under this Special Condition to enter into any agreement to dispose of any share or interest in the lot together with the right to the exclusive use and possession of any unit in the building erected or to be erected on the lot, to enter into an agreement containing the terms and requirements as the Director may from time to time specify or require, including but not limited to the following:
 - (I) all sums received by the Grantee or the Stakeholder as purchase price or any part thereof under an agreement for sale and purchase in respect of any unit, share or interest in the lot (the terms of which have been approved by the mortgagee) ("the ASP") shall be paid into a bank account designated for the development of the lot and which must be opened, maintained and operated by the Stakeholder with the mortgagee (hereinafter referred to as the "Stakeholder Account");
 - (II) no monies shall be released from the Stakeholder Account except with the prior written approval of the mortgagee and in accordance with the terms of the ASP and the terms of the Director's consent; and
 - (III) the mortgagee irrevocably undertakes to the Grantee to, upon completion of the sale and purchase, release unconditionally from the security of the building mortgage, any unit, share or interest in the lot, in respect of which the total purchase price under the

ASP is fully paid into the Stakeholder Account;

- (iv) under which the mortgagee is obliged and irrevocably undertakes to, upon completion of the sale and purchase, release unconditionally from the security of the building mortgage, any unit, share or interest in the lot, in respect of which the total purchase price under the ASP is fully paid into the Stakeholder Account; and
- (v) for the purpose only of this Special Condition, "the Stakeholder" means any solicitors firm for the time being appointed by the Grantee to act as stakeholder in respect of the purchase price under the ASP.

Registration

(39) Every assignment, mortgage, charge, underletting for more than three years or other alienation of the lot or any part thereof or any interest therein shall be registered at the Land Registry.

Deed of Mutual
Covenant incorporating
Management Agreement
(if any)

(40) (a) Notwithstanding that these Conditions shall have been observed and complied with to the satisfaction of the Director, the Grantee shall not assign, mortgage, charge or part with the possession of or otherwise dispose of the lot or any part thereof or any interest therein or enter into any agreement so to do except by way of an assignment or other disposal of undivided shares in the whole of the lot together with the right to the exclusive use and occupation of individual floors and units in any building or buildings erected thereon and even then such assignment or other disposal shall be subject to the following conditions:-

- (i) the Grantee shall first submit to and obtain the approval in writing of the Director to a Deed of Mutual Covenant incorporating a Management Agreement (if any) (hereinafter referred to as "the DMC") to be entered into between the Grantee and the assignees from him of undivided shares in the whole of the lot;
- (ii) the DMC shall be in a form and shall contain such provisions as the Director shall approve or require and in particular shall contain, inter alia, provisions to the following effect and it (and any approved amendment or amendments to it) shall be registered by Memorial against the lot in the Land Registry:-
 - (1) (1) F.S.I. as owner of the Government Accommodation shall be responsible for the maintenance and management thereof but not the remainder of the development on the lot nor any areas, facilities and services outside the lot for which the Grantee (excluding F.S.I. only) is responsible under these Conditions; and
 - (2) F.S.I. as owner of the Government Accommodation shall not be liable to contribute any management and maintenance charges in respect of the remainder of the development on the lot nor any areas, facilities or services outside the lot for which the Grantee (excluding F.S.I. only) is

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responsible under these Conditions and in particular shall not be liable for payment of any management and maintenance charges whatsoever incurred in respect of the common areas and facilities of the development within the lot or any areas, facilities or services outside the lot, including the Items referred to in Special Condition No. (22) hereof;

- (II) F.S.I. shall not be liable for any payment of capital equipment fund, debris removal fee or payment of a like nature;
- (III) F.S.I., its lessees, tenants, licensees and persons authorized by it and owner or occupier for the time being of the Government Accommodation shall have the benefit of the following rights privileges and easements:-
 - (1) the right of shelter support and protection for the Government Accommodation;
 - (2) the right of free passage and running of gas, electricity, water, sewage, air-conditioning, telephone and all other services from and to the Government Accommodation through the gutters, sewers, drains, flues, conduits, ducts, watercourses, cables, pipes, wires and other conducting media now or during the term hereby agreed to be granted laid on or running through any part of the lot and any part of the development on the lot;
 - (3) the right at its own cost to alter, divert, vary, relay or reinstate any of the services and facilities serving exclusively the Government Accommodation or any part thereof (hereinafter referred to as "the Government Accommodation Services") at any time at its absolute discretion without any charge by the Grantee provided that proper and adequate care and precaution shall be taken during any alteration, diversion, variation, relaying or reinstatement works of the Government Accommodation Services so as to ensure that no damage is caused to the services and facilities within the lot and serving all those parts of the development on the lot other than the Government Accommodation;
 - (4) the right to go pass and repass over and along and to use any common parts of the lot or any common parts of the development on the lot in connection with the proper use and enjoyment of the Government Accommodation or any part thereof and to use and receive the benefit of any common facilities within the lot or the

development on the lot;

- (5) the right at all reasonable times with or without surveyors, contractors, workmen and others and with or without vehicles, plant, equipment, material and machinery to enter upon the lot or any part of the development on the lot for the purpose of extending or carrying out maintenance, repair, addition and alteration works to the Government Accommodation or any part thereof and maintenance, repair, alteration, diversion, variation, relaying and reinstatement works to the Government Accommodation Services or any part thereof;
- (6) the free and uninterrupted rights of way to and from the Government Accommodation as may be required by the Director;
- (7) the exclusive right to install, erect, exhibit, display, maintain, repair, remove and renew signs and advertisements on the walls, columns and other structural elements of, within, around and on the boundary of the Government Accommodation or any part thereof as F.S.I. shall deem fit and the right of access over the lot or any part of the development on the lot with or without servants, workmen and others and with or without plant, equipment, machinery and material for the purposes of inspecting, installing, erecting, exhibiting, displaying, maintaining, repairing, removing and renewing such signs and advertisements;
- (8) the right of access to the lighting conduits, such fire services, ventilation and other services, facilities, installations, fixtures, ancillary works, plants and materials fixed on, in or to the roof slabs, walls and other structural elements of the Government Accommodation;
- (9) the right to alter and run additional services to serve and benefit exclusively the Government Accommodation or any part thereof on the walls, columns, beams, ceilings, roof slabs, carriageway/floor slabs and other structural elements of, in, around, within, above and below the same and the related right of access over the lot or any part of the development on the lot with or without servants, workmen and others and with or without plant, equipment, machinery and material provided that proper and adequate care and precaution shall be taken during such alteration works so as to ensure that no damage is caused to the services and facilities within the lot and serving all those parts of the development on the lot other

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than the Government Accommodation; and

- (10) such other rights privileges and easements as may be deemed necessary or desirable by the Director; and
- (IV) In the event of the Government or F.S.I. being the owner or owners of the Vested Undivided Shares and the Vested Site the Government or F.S.I. shall only be responsible to contribute to those management and maintenance charges and all other outgoings (whether such charges relate to the Vested Site or the Vested Undivided Shares or otherwise) as the Director may in his absolute discretion determine whose determination shall be final and binding on the Grantee;
- (iii) the Grantee shall comply with the approved terms and conditions of the DMC. No amendment thereto shall be made without the prior written consent of the Director and the payment of such fees as may be required;
- (iv) every assignment or other disposal of an undivided share or shares in the lot shall be subject to and with the benefit of the DMC;
- (v) in the DMC the Grantee shall allocate to those parts of the lot which comprise the common areas or amenities for the common use and benefit of owners for the time being of the lot together with the parking spaces provided under Special Condition No. (44)(a)(ii) hereof (which common areas or amenities and parking spaces are hereinafter collectively referred to as "the Common Areas") a number of undivided shares in the lot which in the opinion of the Director is appropriate;
- (vi) the Grantee shall not assign, mortgage or charge (except by building mortgage or charge under Special Condition No. (38)(d) hereof) or otherwise dispose of or part with the possession of any undivided shares allocated to the Common Areas or any interest therein or enter into any agreement so to do except that upon execution of the DMC the whole of the said undivided shares in the Common Areas shall be assigned to and vested in the manager appointed in accordance with the DMC free of costs or consideration and the manager must hold the said undivided shares on trust for the benefit of all owners for the time being of undivided shares in the lot;
- (vii) the DMC shall provide that, subject to sub-clause (a)(viii) of this Special Condition, on termination of the manager's appointment the manager must assign the said undivided shares in the Common Areas free of costs or consideration to its successor in office; and
- (viii) if an Owners' Corporation is formed under the Building Management Ordinance (Cap. 344), any regulations made thereunder and any amending legislation it may require the

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manager, in accordance with the DMC to assign the undivided shares in the Common Areas and transfer the management responsibilities to it free of costs or consideration, in which event, the said Owners' Corporation must hold them on trust for the benefit of all owners for the time being of undivided shares in the lot.

(b) Sub-clause (a) of this Special Condition shall not apply to:-

(i) an assignment, underletting, mortgage or charge of the lot as a whole; or

(ii) an underletting of a part of the building erected thereon.

(c) Notwithstanding the provisions of sub-clauses (a)(i) and (b) of this Special Condition, the Grantee shall when called upon by the Director submit to the Director for his approval in writing the DMC in respect of the lot and the development thereon.

Restriction on partitioning

(41) The Grantee shall not, without the prior written consent of the Director, partition (whether by way of assignment or other disposal or by any other means) the lot or any part thereof or any section which has been partitioned with the prior written consent of the Director under this Special Condition. Where the lot has been partitioned with such consent, the provisions in Special Condition No. (40) hereof shall be applicable to each of the sections so partitioned with the references to "the lot" under the said Special Condition being replaced and substituted by the relevant section.

Kindergarten

(42) (a) The Grantee shall at his own expense, in accordance with the Approved Building Plans and the Approved Master Layout Plans and in all respects to the satisfaction of the Director erect, construct and provide within Site A accommodation for a kindergarten comprising not less than 6 classrooms and such other ancillary facilities as may be required by the Secretary for Education and Manpower and having a total gross floor area of not less than 1,000 square metres (hereinafter referred to as "the Kindergarten").

(b) The location, design and standard of the Kindergarten shall be subject to the prior written approval of the Secretary for Education and Manpower.

(c) The Kindergarten shall be operated and maintained in all respects to the satisfaction of the Secretary for Education and Manpower.

(d) The area so provided for the Kindergarten shall be taken into account for the purpose of calculating the total gross floor area stipulated in Special Condition Nos. (17)(a)(i)(v), (17)(d) and (17)(f) hereof.

Vehicle access

(43) (a) The Grantee shall have no right of ingress or egress to or from the lot for the passage of motor vehicles except :-

(i) between the points X and Y through Z and X2 and Y2 through Z2 shown and marked on Plan I or at such other points as may be approved in writing by the Director; and

(ii) between the points X1 and Y1 through Z1 shown and marked on Plan I for the passage of emergency vehicles only.

Temporary access

(b) Notwithstanding the provisions of sub-clause (a) of this Special Condition

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Condition, upon development or redevelopment of the lot a temporary access for construction vehicles into the lot may be permitted in such position and subject to such conditions as may be imposed by the Director.

Construction of run-in and run-out

- (c) (i) The Grantee shall not exercise the right of ingress and egress in sub-clauses (a) and (b) of this Special Condition unless and until a run-in for each point of ingress and a run-out for each point of egress on existing public roads/footpaths outside the lot have been designed and constructed to the satisfaction of the Director. Upon completion of development or redevelopment referred to in sub-clause (b) of this Special Condition or when required by the Director so to do, such run-in and run-out constructed for temporary access shall be removed and the road/footpath area or areas upon which such run-in and run-out were constructed shall be reinstated to the same condition as the road/footpath area or areas were prior to construction of run-in and run-out unless otherwise agreed by the Director. The said works of design, construction, removal and reinstatement shall be undertaken by the Grantee at his own expense to the satisfaction of the Director.

- (ii) Notwithstanding sub-clause (c)(i) of this Special Condition the Director may (but is not obliged to), upon the written request of the Grantee and at the cost of the Grantee, design, construct, remove and reinstate the run-in and run-out referred to in the said sub-clause (c)(i).

Parking requirements

(44) (a) Spaces shall be provided within the lot to the satisfaction of the Director for the parking of motor vehicles:-

- (i) at the rate of one space for every 7.4 residential units or part thereof in the building or buildings erected or to be erected on the lot (hereinafter referred to as "the Residential Parking Spaces");
- (ii) at the rate of five spaces for each residential block erected or to be erected on the lot; and
- (iii) at the rate of one space for every 200 square metres or part thereof of gross floor area of the Commercial Accommodation excluding any floor area to be used for parking purposes and for loading and unloading purposes as provided under Special Condition Nos. (44), (45) and (46) hereof.

Each of the spaces so provided shall occupy an area of 2.5 metres in width and 5.0 metres in length with a minimum headroom of 2.4 metres.

(b) Spaces shall be provided within the lot to the satisfaction of the Director for the parking of motor cycles at the rate of one space for every 10 parking spaces or part thereof provided under sub-clauses (a) of this Special Condition and Special Condition No. (46) hereof. Each of the spaces so provided shall occupy an area of 1.0 metres in width and 2.4 metres in length with a minimum headroom of 2.4 metres.

- (c) (i) The spaces provided in accordance with sub-clause (a)(i) of this Special Condition shall not be used for any purpose other than for the parking of motor vehicles licensed under the Road Traffic

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Ordinance, any regulations made thereunder and any amending legislation and belonging to the residents of the building or buildings erected or to be erected on the lot.

(ii) The spaces provided in accordance with sub-clause (a)(ii) of this Special Condition shall not be used for any purpose other than for the parking of motor vehicles licensed under the Road Traffic Ordinance, any regulations made thereunder and any amending legislation and belonging to the bona fide guests and visitors of the residents of the building or buildings erected or to be erected on the lot.

(iii) The spaces provided in accordance with sub-clause (a)(iii) of this Special Condition shall not be used for any purpose other than for the parking of motor vehicles licensed under the Road Traffic Ordinance, any regulations made thereunder and any amending legislation and belonging to the occupiers of the Commercial Accommodation and their bona fide guests and visitors.

(iv) The spaces provided in accordance with sub-clause (b) of this Special Condition shall not be used for any purpose other than for the parking of motor cycles licensed under the Road Traffic Ordinance, any regulations made thereunder and any amending legislation and belonging to the residents and occupiers of the building or buildings erected or to be erected on the lot and their bona fide guests and visitors.

(v) In particular, the spaces provided in accordance with sub-clauses (a) and (b) of this Special Condition shall not be used for the storage, display or exhibiting of motor vehicles and motor cycles for sale or otherwise.

(d) Spaces shall be provided within the lot to the satisfaction of the Director at the rate of one space for every ten residential units or part thereof erected or to be erected on the lot which spaces shall not be used for any purpose other than for the parking of bicycles belonging to the residents of the building or buildings erected or to be erected on the lot and their bona fide guests and visitors.

Loading and unloading
requirements

(45) Spaces shall be provided within the lot to the satisfaction of the Director for the loading and unloading of motor vehicles:

(a) at the rate of one space for every 800 residential units or part thereof subject to a minimum of one loading and unloading space for each residential block, such loading and unloading space to be located adjacent to or within each residential block; and

(b) at the rate of one space for every 800 square metres or part thereof of gross floor area of the Commercial Accommodation excluding any floor area to be used for parking purposes and for loading and unloading purposes as provided under Special Condition Nos. (44), (45) and (46) hereof.

Each of the spaces so provided shall occupy an area of 3.5 metres in width and 11 metres in length with a minimum headroom of 4.1 metres and shall not be used for any purpose other than for the loading and unloading of motor vehicles in connection with the said building or buildings and the spaces provided in

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accordance with sub-clause (b) of this Special Condition shall be for common use by the occupiers of the Commercial Accommodation.

Flexibility in parking provisions

(46) Notwithstanding Special Condition Nos. (44) and (45) hereof, the Grantee may subject to the prior approval of the Director increase or reduce the respective numbers of each type of spaces specified in the said Special Conditions to be provided on the lot by not more than 5 percent or 50 in number (whichever is the less) of the numbers calculated in accordance with the said Special Conditions.

Parking spaces, etc excluded from gross floor area calculation

(47) For the purpose of calculating the total gross floor area stipulated in Special Condition No. (17) hereof, there shall not be taken into account the spaces provided in accordance with Special Condition Nos. (44), (45) and (46) hereof provided that if such spaces exceed the rates stipulated in Special Condition Nos. (44), (45) and (46) hereof, all the spaces in excess of those rates shall be taken into account for the purpose of calculating the total gross floor area specified in Special Condition No. (17) hereof.

Restriction on alienation of Residential Parking Spaces

(48) (a) The Residential Parking Spaces provided within the lot in accordance with Special Condition Nos. (44)(a)(i) and (46) hereof shall not be used for any purpose other than for the purpose referred to in Special Condition No. (44)(c)(i) hereof and shall be designated as such on the approved car park layout plan referred to in Special Condition No. (49) hereof.

(b) Except with the prior written consent of the Director, the Residential Parking Spaces shall not be:

(i) assigned except

(I) together with undivided shares in the lot giving the right of exclusive use and possession of a residential unit or units in the building or buildings erected or to be erected on the lot or

(II) to a person who is already the owner of undivided shares in the lot with the right of exclusive use and possession of a residential unit or units in the building or buildings erected or to be erected on the lot; or

(ii) underlet except to residents of the residential units in the building or buildings erected or to be erected on the lot

provided that in any event except with the prior written consent of the Director not more than three of the Residential Parking Spaces shall be assigned or underlet to the owner or resident of any one residential unit.

Allocation of undivided shares to the Car Park Common Areas

(c) Prior to any assignment or disposal of any undivided share allocated to the Residential Parking Spaces or any interest therein, the Grantee shall allocate to those parts of the car park which are for the common use and benefit of the owners and occupiers of the Residential Parking Spaces, including but not restricted to the lifts, landings, manoeuvring and circulation areas (hereinafter referred to as "the Car Park Common Areas"), a number of undivided shares in the lot which in the opinion of the Director is appropriate.

Restriction on alienation of Car Park Common Areas

(d) The Grantee may not assign, mortgage or charge or otherwise dispose of or part with the possession of any undivided shares allocated to the Car Park Common Areas or any interest therein or enter into any agreement so to do except that the whole of the said undivided shares in the Car Park Common

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Areas shall be assigned to and vested in:-

- (i) upon execution of the DMC, the manager appointed in accordance with the DMC who shall hold the said undivided shares on trust for the benefit of all owners for the time being of undivided shares in the lot or for the benefit of all owners for the time being of the undivided shares allocated to the Residential Parking Spaces; or
 - (ii) where there has been no assignment and vesting of the said undivided shares pursuant to sub-clause (d)(i) of this Special Condition, upon execution of a sub-Deed of Mutual Covenant in respect of any part of the building or buildings erected on the lot which includes the Residential Parking Spaces (hereinafter referred to as the "the Sub-DMC"), the manager appointed in accordance with the Sub-DMC who shall hold the said undivided shares on trust for the benefit of all owners for the time being of the undivided shares allocated to the Residential Parking Spaces.
- (e) Sub-clauses (b), (c) and (d) of this Special Condition shall not apply to
- (i) an assignment, underletting, mortgage or charge of the lot as a whole; or
 - (ii) an assignment, underletting, mortgage or charge of the undivided shares allocated to the Residential Parking Spaces and the Car Park Common Areas as a whole.
- (f) Sub-clauses (c) and (d) of this Special Condition shall not apply to an underletting of one or more of the Residential Parking Spaces.

Deposit of car park layout plan

(49) A plan approved by the Director indicating the layout of all the parking, loading and unloading spaces and other spaces to be provided within the lot in accordance with Special Condition Nos. (24)(b), (44), (45) and (46) hereof and the Carpark Common Areas referred to in Special Condition No. (48) hereof, or a copy of such plan certified by an Authorized Person (as defined in the Buildings Ordinance, any regulations made thereunder and any amending legislation) shall be deposited with the Director. No transaction (except a tenancy or lease or an agreement for a tenancy or lease permitted by Special Condition No. (38)(c) hereof, a building mortgage under Special Condition No. (38)(d) hereof or such other transactions as the Director may approve) affecting the lot or any part thereof or any building or part of any building erected or to be erected on the lot shall be entered into prior to such deposit. The said parking, loading and unloading spaces indicated on the said approved plan shall not be used for any purpose other than for the purposes set out in Special Condition Nos. (24)(b), (44) and (45) hereof. The Grantee shall maintain the parking, loading and unloading spaces and other spaces in accordance with the said approved plan and shall not alter the layout except with the prior written consent of the Director.

No exempt building

(50) No building shall be erected on the lot of a type which by virtue of the Buildings Ordinance (Application to the New Territories) Ordinance, any regulations made thereunder and any amending legislation is exempted from the provisions of the Buildings Ordinance, any regulations made thereunder and any amending legislation.

Set back

(51) The Grantee shall not cut away, remove or set back any Government land adjacent to or adjoining the lot or carry out any building-up, filling-in or any slope treatment works of any kind whatsoever on any Government land except with the prior written consent of the Director who may, at his sole discretion, give his consent subject to such terms and conditions (including the payment of fees) as he sees fit, including the grant of additional Government land as an extension to the lot at such premium as he may determine.

Cutting away

(52) (a) Where there is or has been any cutting away, removal or setting back of any land, or any building-up or filling-in or any slope treatment works of any kind whatsoever, whether with or without the prior written consent of the Director, either within the lot or on any Government land, which or was done for the purpose of or in connection with the formation, levelling or development of the lot or any part thereof or any other works required to be done by the Grantee under these Conditions, or for any other purpose, the Grantee shall at his own expense carry out and construct such slope treatment works, retaining walls or other support, protection, drainage or ancillary or other works as shall or may then or at any time thereafter be necessary to protect and support such land within the lot and also any adjacent or adjoining Government or leased land and to obviate and prevent any falling away, landslip or subsidence occurring thereafter. The Grantee shall at all times during the term hereby agreed to be granted maintain at his own expense the said land, slope treatment works, retaining walls or other support, protection, drainage or ancillary or other works in good and substantial repair and condition to the satisfaction of the Director.

(b) Nothing in sub-clause (a) of this Special Condition shall prejudice the Government's rights under these Conditions, in particular Special Condition No. (51) hereof.

(c) In the event that as a result of or arising out of any formation, levelling, development or other works done by the Grantee or owing to any other reason, any falling away, landslip or subsidence occurs at any time, whether in or from any land within the lot or from any adjacent or adjoining Government or leased land, the Grantee shall at his own expense reinstate and make good the same to the satisfaction of the Director and shall indemnify the Government, its agents and contractors from and against all costs, charges, damages, demands and claims whatsoever which shall or may be made, suffered or incurred through or by reason of such falling away, landslip or subsidence.

(d) In addition to any other rights or remedies herein provided for breach of any of these Conditions, the Director shall be entitled by notice in writing to call upon the Grantee to carry out, construct and maintain the said land, slope treatment works, retaining walls, or other support, protection, and drainage or ancillary or other works or to reinstate and make good any falling away, landslip or subsidence, and if the Grantee shall neglect or fail to comply with the notice to the satisfaction of the Director within the period specified therein, the Director may forthwith execute and carry out any necessary works and the Grantee shall on demand repay to the Government the cost thereof, together with any administrative and professional fees and charges.

No rock crushing

(53) No rock crushing plant shall be permitted on the lot without the prior written approval of the Director.

Anchor maintenance

(54) Where prestressed ground anchors have been installed, upon development or redevelopment of the lot or any part thereof, the Grantee shall at his own expense carry out regular maintenance and regular monitoring of the prestressed ground anchors throughout their service life to the satisfaction of the Director.

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Director and shall supply to the Director such reports and information on all such monitoring works as the Director may from time to time in his absolute discretion require. If the Grantee shall neglect or fail to carry out the required monitoring works, the Director may forthwith execute and carry out the monitoring works and the Grantee shall on demand repay to the Government the cost thereof.

Spoil & debris

(55) (a) In the event of spoil or debris from the lot or from other areas affected by any development of the lot being eroded and washed down onto public lanes or roads or into or onto road-culverts, foreshore or seabed, sewers, storm-water drains or nullahs or other Government properties, the Grantee shall be held responsible and shall at his own expense remove the spoil and debris from and make good any damage done to the public lanes or roads or road-culverts, sewers, storm-water drains or nullahs, foreshore or seabed or other Government properties. The Grantee shall indemnify the Government against all actions, claims and demands arising out of any damage or nuisance to private property caused by such erosion and washing down.

(b) Notwithstanding sub-clause (a) of this Special Condition the Director may (but is not obliged to), upon the written request of the Grantee and at the cost of the Grantee, remove the spoil and debris from and make good any damage done to the public lanes or roads or road-culverts, sewers, storm-water drains or nullahs, foreshore or seabed or other Government properties referred to in the said sub-clause (a).

Dumping (Government land)

(56) No earth, debris, spoil of whatsoever nature, or building materials shall be dumped on any Government land.

Utility services

(57) The Grantee shall take or cause to be taken all proper and adequate care, skill and precautions at all times and particularly during any construction, maintenance, renewal or repair work to avoid doing any damage to any Government or other existing drain, waterway or watercourse (including water main), footpath, sewer, nullah, pipe, cable, wire, utility service or any other works or installations (all together hereinafter referred to as "the Works and Services") being or running upon, over, under or adjacent to the lot or any part thereof, provided that the Grantee before carrying out any such work as aforesaid shall make or cause to be made such proper search and enquiry as may be necessary to ascertain the present position and levels of any of the Works and Services, and shall submit his proposals for dealing with any of the Works and Services in writing to the Director for his approval in all respects, and shall not carry out any work whatsoever until the Director shall have given his written approval to the works and to such proposals aforesaid, and shall comply with any requirement of the Director in respect of the Works and Services, and shall bear the cost of meeting such requirements including the cost of any necessary diversion, relaying or reinstatement, and except as provided in Special Condition No. (61) hereof shall at his own expense in all respects repair, make good and reinstate to the satisfaction of the Director any damage or disturbance caused to the surface of the lot or any of the Works and Services running on, over, under or adjacent to the lot in any manner arising out of any such construction, maintenance, renewal or repair work. If the Grantee fails to carry out any such necessary diversion, relaying, repairing, making good and reinstatement of the lot or any part thereof or of any of the Works and Services to the satisfaction of the Director, he, the Director, may carry out any such diversion, relaying, repairing, reinstatement or making good as he considers necessary and the Grantee shall pay to the Government on demand the cost of such works.

Damage to public roads

(58) (a) The Grantee shall at his own expense and to the satisfaction of the Director make good any damage done to adjoining public roads including street

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furniture by the Grantee, his contractors or sub-contractors or his or their workmen or vehicles or by any spoil from the lot.

(b) Notwithstanding sub-clause (a) of this Special Condition the Director may (but is not obliged to), upon the written request of the Grantee and at the cost of the Grantee, make good any damage done to the adjoining public roads including street furniture referred to in the said sub-clause (a).

Dumping
(public roads)

(59) No materials shall be dumped or stored, nor shall any work be carried out within the boundaries of a public road or way without the prior written consent of the Director.

Construction of drains
and channels

(60) The Grantee shall construct and maintain at his own expense and to the satisfaction of the Director such drains and channels, whether within the boundaries of the lot or on Government land, as the Director may consider necessary to intercept and convey into the nearest stream-course, catchpit, channel or storm-water drain all storm-water or rain-water falling or flowing on to the lot, and the Grantee shall be solely liable for and shall indemnify the Government and its officers from and against all actions, claims and demands arising out of any damage or nuisance caused by such storm-water or rain-water.

Damage to nullahs
etc.

(61) (a) Any damage or obstruction caused by the Grantee, his servants or agents to any nullah, sewer, storm-water drain or water main within or adjoining the lot shall be made good by the Government at the cost of the Grantee, and the amount due in respect thereof shall be paid on demand to the Government by the Grantee.

(b) Notwithstanding sub-clause (a) of this Special Condition, the Grantee shall, at the request of the Director, make good such damage or obstruction as specified by the Director at his own expenses and in all respects to the satisfaction of the Director.

Connecting drains and
sewers

(62) The works of connecting any drains and sewers from the lot to the Government stormwater drains and sewers, when laid and commissioned, may be carried out by the Director who shall not be liable to the Grantee for any loss or damage thereby occasioned and the Grantee shall pay to the Government on demand the cost of such connection works. Alternatively, the said connection works may be carried out by the Grantee at his own expense to the satisfaction of the Director and in such case any section of the said connection works which is constructed within Government land shall upon demand be handed over by the Grantee to the Government for future maintenance thereof at the expense of the Government and the Grantee shall pay to the Government on demand the cost of the technical audit in respect of the said connection works.

Foundations

(63) Any foundations to be constructed near or adjoining any water main, sewer, storm-water drain or nullah within or adjoining the lot shall comply with the requirements of the Director.

Filtered water supply

(64) A filtered water supply from Government mains will be given on the usual terms and subject to the provisions of the Waterworks Ordinance, any regulations made thereunder and any amending legislation, but no guarantee is given that any water that is supplied will be continuously available.

Salt water for flushing
purposes

(65) A salt water supply from Government mains will be given for flushing purposes, and the Grantee will be required to accept this supply and to install plumbing capable of withstanding the corrosive effect of salt water. If a salt water supply is not available when required, a temporary mains fresh water supply will be provided for flushing purposes. The temporary mains fresh

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water supply if required, and the ultimate salt water supply, will be given on the usual terms and subject to the provisions of the Waterworks Ordinance, any regulations made thereunder and any amending legislation.

Restriction on use of water supply

(66) Except with the prior written consent of the Water Authority, no water from Government mains shall be used for any heating, cooling or humidification purpose.

Access for Fire Services appliances and personnel

(67) Throughout the term hereby agreed to be granted:

(a) the Grantee shall at his own expense and to the satisfaction of the Director of Fire Services:

(i) provide suitable means of access for the passage of Fire Services appliances and Fire Services personnel to any building or buildings, structure or structures erected or placed or to be erected or placed on the lot;

(ii) at all times permit such Fire Services personnel and Fire Services appliances the free and uninterrupted use of such means of access; and

(iii) maintain such means of access and keep the same free from obstruction;

(b) the Grantee shall permit the Director of Fire Services, his officers, servants or agents at all reasonable times with or without notice to enter upon the lot or any part thereof or any building or buildings, structure or structures or any part thereof erected or placed or to be erected or placed thereon for the purpose of inspecting the same so as to ensure that the requirements referred to in sub-clause (a) of this Special Condition have been complied with.

Provision of fire service installations and equipment

(68) The Grantee shall at his own expense and to the satisfaction of the Director of Fire Services provide fire hydrants, fire fighting appliances, water pumping connections and such other fire service installations and equipment (as defined in the Fire Services Ordinance, any regulations made thereunder and any amending legislation) as the Director of Fire Services in his sole discretion shall require within the lot (or, subject to the prior written consent and approval of the Director, on any adjacent or adjoining Government land) and within any building or buildings erected or to be erected thereon at such point or points as the Director of Fire Services may require. The Grantee shall maintain at his own expense the said fire hydrants, fire fighting appliances, water pumping connections and such other fire service installations and equipment in good condition and to the satisfaction of the Director of Fire Services.

Dangerous goods

(69) The Grantee shall comply with all lawful requirements of the Director of Fire Services made under the Dangerous Goods Ordinance, any regulations made thereunder and any amending legislation.

(70) Wherever in these Conditions it is provided that:-

Supervisory and overhead charges

(a) the Government or its duly authorized officers shall or may carry out works of any description on the lot or any part thereof or outside the lot (whether on behalf of the Grantee or on the failure of the Grantee to carry out such works or otherwise) at the cost of the Grantee or that the Grantee shall pay or repay to the Government or to its duly authorized officers on demand the cost of such works, such cost shall include such supervisory and overhead charges as may be fixed by the Government or by its duly authorized officers; or

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Prior approval or consent

(b) the prior approval or consent of the Government or its duly authorized officers is required, they may give the approval or consent on such terms and conditions as they see fit or refuse it at their absolute discretion.

Environmental Mitigation Measures

(71) (a) The Grantee shall at his own expense and in all respects to the satisfaction of the Director of Environmental Protection implement the proposed noise mitigation measures in relation to the traffic noise concerning the development on the lot contained in the Environmental Impact Assessment Report Application No. EIA-083/2002 approved under the Environmental Impact Assessment Ordinance or such other measures as may be approved in writing by the Director of Environmental Protection.

(b) Notwithstanding sub-clause (a) of this Special Condition, the Director may at his discretion, at the sole expense of the Grantee but subject to the prior agreement of the Grantee as to the design, construction programme and cost for the design, construction and maintenance, design, provide, construct and maintain the noise mitigation features within the lot or on Government land.

(c) For the purpose of carrying out the works referred to in sub-clause (b) of this Special Condition, the Government, its officers, agents, contractors, workmen or other duly authorized personnel shall have the free and uninterrupted right at all reasonable times to enter into the lot or any part thereof and any building or buildings erected or to be erected thereon. Save as provided in Special Condition No. (73) hereof, the Government, its officers, agents, contractors, workmen or other duly authorized personnel shall have no liability in respect of any loss, damage, nuisance or disturbance whatsoever caused to or suffered by the Grantee arising out of or incidental to the exercise by him or them the right of entry conferred under this sub-clause, and no claim shall be made against him or them by the Grantee in respect of any such loss, damage, nuisance or disturbance.

Costs of noise barriers

(d) Notwithstanding any provision to the contrary herein contained and in addition to the Grantee's obligations in sub-clauses (a), (b) and (c) of this Special Condition, the Grantee shall pay to the Government upon the execution of this Agreement by the Grantee the sum of HK\$40,760,000.00 being the cost of provision (including supervisory charges) of noise barriers for the shielding off of noise arising from Ma On Shan Bypass for the building or buildings erected or to be erected on the lot and the sum of HK\$15,382,356.00 being the lump sum cost at current value (including supervisory charges) for the maintenance and subsequent removal of the said noise barriers. The Grantee hereby expressly agrees and acknowledges that even if the said noise barriers are not removed, there shall not be any refund of the costs paid under this sub-clause (d) to the Grantee.

Definitions of gross floor area

(72) (a) For the purposes of these Conditions the expression "gross floor area" means the area contained within the external faces of the external walls (or in the absence of such walls the external perimeters) of any building or buildings erected or to be erected on the lot measured at each floor level (including any floor below the level of the ground), together with the area of each balcony in such building or buildings, which shall be calculated from the overall dimensions of the balcony (including the thickness of the sides thereof).

(b) Notwithstanding sub-clause (a) of this Special Condition the Director at his sole discretion may

(i) in calculating the gross floor area of any building or buildings erected or to be erected on the lot in addition to

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any floor space which may be excluded by Special Condition Nos. (19), (24)(c), (31)(c), (32)(b), (33)(b), (34)(b), (36), (47), (74)(b) and (74)(d) hereof, exclude:

(i) any floor space that he is satisfied is constructed or intended to be used solely for the parking or for the loading or unloading of motor vehicles or occupied solely by machinery or equipment for any lift, air-conditioning or heating system or any similar service and any space for refuse disposal;

(ii) subject to the payment by the Grantee of any premium and administrative fee as shall be determined by the Director.

(1) any structure or floor space, including, but not limited to, any balcony, corridor, lift lobby, communal sky garden, acoustic fit noise barrier, sunshade, reflector, wing wall, wind catcher or funnel, or any part thereof (all hereinafter referred to as "environmentally friendly or innovative features") and any other structure or floor space which in the opinion of the Building Authority is an environmentally friendly or innovative feature (as to which his opinion shall be conclusive) and which, for that reason, has been excluded by the Building Authority from calculation of gross floor area under the Buildings Ordinance, any regulations made thereunder and any amending legislation; and

(2) any floor space or structure which has been excluded by the Building Authority from the calculation of gross floor area under the Buildings Ordinance, any regulations made thereunder and any amending legislation;

Calculation of gross floor area in buildings with curtain wall system forming external face of building

(ii) accept, for the purposes of calculation of the gross floor area, the outer face of the structural elements of the building or buildings erected or to be erected on the lot as the external wall where a curtain wall system forms the external face of any building or buildings erected or to be erected on the lot provided that the outer face of the curtain wall system shall project no more than 300 millimetres from the outer face of the structural elements and provided also that the Director shall have the sole discretion in deciding what comprises a structural element of any building or buildings erected or to be erected on the lot.

(c) Communal sky gardens and any other structure or floor space referred to in sub-clause (b)(i) of this Special Condition shall, if so required by the Director, be designated as and form part of the Common Areas referred to in Special Condition No. (40)(a)(v) hereof.

Access to Railway Complex

(73) (a) In the event any person exercises any of the rights conferred upon him by General Condition Nos. 9(a) and 9(b) hereof and Special Condition Nos. (8)(n), (29), (37)(b) and (71)(c) hereof on the Railway Complex, the Grantee shall undertake all necessary facilitation works to facilitate or enable such person to exercise such rights and such person shall

- (i) not, without the consent of the Grantee (which consent shall not unreasonably be withheld), do anything which might adversely affect the operation or safety of the Grantee's railway and in the event of any injurious affection make reasonable compensation therefor;
- (ii) do as little damage as possible and make reasonable compensation for all damage done;
- (iii) reimburse the Grantee for any expenses incurred by the Grantee in undertaking works to facilitate or enable such person to exercise such rights.

(b) The Grantee shall undertake all necessary facilitation works in conjunction with the works of the person referred to in sub-clause (a) of this Special Condition and such person shall

- (i) not, without the consent of the Grantee (which consent shall not unreasonably be withheld), require the Grantee to do anything which might adversely affect the operation or safety of the Grantee's railway and in the event of any injurious affection as a consequence of such person's requirement, such person shall make reasonable compensation therefor;
- (ii) ensure that any facilitation works required by such person will do as little damage as possible and make reasonable compensation for all damage done; and
- (iii) reimburse the Grantee for any expenses incurred by the Grantee in undertaking works to facilitate or enable such person to exercise his rights.

(c) For the purpose of this Special Condition, the expression "Grantee" shall mean only the person entering into and executing this Agreement.

Refuse collection

(74) (a) The Grantee shall at his own expense provide and maintain in all respects to the satisfaction of the Director of Food and Environmental Hygiene a comprehensive system of refuse collection from each floor of the building or buildings erected or to be erected on the lot.

Construction of refuse collection points

(b) The Grantee shall at his own expense and in all respects to the satisfaction of the Director provide, construct and thereafter maintain with such materials and to such standards and design and in such location within the lot one refuse collection point together with such ancillary facilities as the Director of Food and Environmental Hygiene shall approve (hereinafter referred to as the "Refuse Collection Point") and such spaces (which shall not be less than one) for the parking, loading and unloading of refuse collection vehicles as may be approved or required by the Director of Food and Environmental Hygiene in accordance with the Approved Building Plans on such date or dates as determined by the Director. Such Refuse Collection Point shall not be taken into account for the purpose of calculating the total gross floor area stipulated in Special Condition No.(17) hereof. The Refuse Collection Point shall occupy an area of not less than 5.60 metres in width and 6.50 metres in length or of such dimensions as shall be approved by the Director.

Non-fulfilment

(c) In the event of the non-fulfilment of the Grantee's obligations under sub-clauses (a) and (b) of this Special Condition, the Government may carry out;

MEMORANDUM OF AGREEMENT

Memorandum that the Kowloon-Canton Railway Corporation having an office at KCRC House, No. 9 Lok King Street, Fo Tan, Sha Tin, New Territories and whose seal is hereunder affixed, has this day agreed to carry out the terms and conditions of the foregoing Conditions of Grant and the Grantee hereby agrees fully to observe and perform the said Conditions and to be bound thereby and the Chief Estate Surveyor/Railway Development on behalf of the Chief Executive of the Hong Kong Special Administrative Region hereby ratifies and confirms the said Grant on the above Conditions.

Dated this _____ day of _____ 2005

The Seal of the Kowloon-Canton Railway Corporation is hereunto affixed by the authority of the Managing Board and signed by

Authorized Signature

Authorized Signature

in the presence of

Witness

Witness

Witness to the Signature of
Chief Estate Surveyor/Railway Development:

Civil Servant,
Lands Department

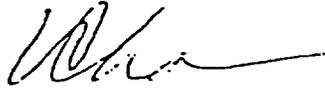
Chief Estate Surveyor/Railway
Development

Remarks: -

The Grantee should be required to supply the ID Card No. of his/their witness by way of a separate letter.

STTL 530

Certified correct

A handwritten signature in black ink, appearing to read 'Vivian Chan', with a long horizontal flourish extending to the right.

(Miss Vivian CHAN)

Senior Solicitor/Railway Development