



Memorial No. : 280736

Received on : 14 March 2000

MEMORIAL of an instrument to be registered in the Land Registry/ New Territories Land Registry under the Land Registration Ordinance				Islands	FOR LAND REGISTRY USE ONLY
Solicitors Code 444Is	Stamp Office No.	Stamp Duty \$	(26) in DLO / 5598 / 04 T / 612 (MP6.0E)		
Date of instrument	Dated the 28th day of February 2000				Reg. Fee \$ 210 P3
Nature and object of the instrument	Approval Letter in respect of Master Plan 6.0E1 with plan (in duplicate)				Nature of Instrument Code 99
Consideration	An additional premium of \$1,650,000,000.00 and an administrative fee \$140,000.00				Consideration Code
Memorial number of transaction satisfied [Regs. 6(1) (f) and 6(2) (f)]					
Names of parties	Hong Kong Identity Card/Company Registration/Other Identification (please specify) Numbers* (in case of change of ownership)	Status of parties (Assignor/ Assignee/etc.)	Their respective shares in, and capacities in relation to, the premises	Capacity Code	
Director of Lands and Hong Kong Resort Company Limited			the Owner		
Premises affected by the instrument	Undivided Share (if any):				
	Lot No.: The Remaining Portion of Lot No.385 and the Extensions thereto in Demarcation District 352, Lantau Island.				
	Address: (if applicable)				
	Block	Flat	Floor	Premises No.	Street Name
					Discovery Bay, Lantau Island. (Official address not yet known)
(HK/K/In/NT)*					

Certified on this 14th day of March 19 2000 that the foregoing Memorial contains a just and true account of the several particulars therein set forth as required by the Land Registration Regulations.

IR

(24 (Regd.))

(Ms Ella TSOI)
for Land Registrar

Note: If space is insufficient, please show particulars on a separate sheet, make reference and staple the sheet onto this form.

*: Delete whichever is inapplicable

MEMO ad 6 Mar 2000 in LR (1) 28/00

REGISTERED in the Islands
New Territories Land Registry
by Memorial No. 280736
on 14 March 2000


for Land Registrar



地政總署
離島地政處
DISTRICT LANDS OFFICE, ISLANDS
LANDS DEPARTMENT

電話 Tel: 2852 4285
圖文傳真 Fax: 2850 5104
本處檔號 Our Ref: () in DLO/IS 98/CLT/61 (MP6.0E) P. 3
來函檔號 Your Ref:

Hong Kong Resort Company Limited,
Level 2, Pier 3, Central Reclamation
Phase 1, Central.
Hong Kong.



28 FEB 2000

Dear Sir/Madam,

**The Remaining Portion of Lot No. 385 and
the Extensions thereto in D.D. No. 352
(Discovery Bay, Lantau Island)**

I have to inform you that in consideration of your payment to the Government of the Hong Kong Special Administrative Region (hereinafter referred to as "the Government") of an additional premium amounting to \$1,650,000,000 and an administrative fee of \$140,000.00 (the receipts whereof are hereby acknowledged), I hereby approve Master Plan 6.0E1 and the Schedule of Development in respect thereof (hereinafter collectively referred to as "the Master Plan") under New Grant No. 6122 as extended by three extension letters deposited and registered in the Islands New Territories Land Registry as New Grant Nos. 6620, 6788 and 6947 (which New Grant Nos. 6122, 6620, 6788 and 6947 are hereinafter collectively referred to as "the Conditions"), under which The Remaining Portion of Lot No. 385 and the Extensions thereto in D.D. 352 (hereinafter referred to as "the Lot") is held, in manner hereinafter appearing subject to the following conditions and to your acceptance thereof in the manner stated in paragraph 2 hereof :-

(1) Government Accommodation and the School Site in Area N4b

(a) You shall within 18 months from the date of this letter, at your own expense and in all respects to the satisfaction of the Director of Lands (hereinafter referred to as the "Director") lay, form, provide, construct, surface and drain in such manner with such materials and to such standards, levels, alignment and design as the Director shall approve (including but not limited to the provision of such vehicular access and utilities as the Director in his absolute discretion may require) the following :-

- (I) that part of the Lot having an area of 6,900 square metres and marked "N4b" on the Master Plan (hereinafter referred to as "the School Site in Area N4b");
and
- (II) that part of the Lot having an area of 3,000 square metres and marked "N5a" on the Master Plan (hereinafter referred to as "Area N5a"); and
- (III) that part of the Lot having an area of 1,500 square metres and marked "N5b" on the Master Plan (hereinafter referred to as "Area N5b").

(b) You shall within 36 months from the date to be specified in a letter from the Director to you requiring construction thereof, at your own expense and in all respects to the satisfaction of the Director erect, construct, provide and complete in a good workmanlike manner and make fit for occupation and operation in accordance with the Technical Schedules annexed hereto and the plans approved under Condition (1)(f) hereof the following government accommodation :-

- (I) within Area N5a one indoor recreation centre of a net operational floor area of not less than 1,529 square metres (hereinafter referred to as "the Indoor Recreation Centre"); and
- (II) within Area N5b either a community hall of a net operational floor area of not less than 593.0 square metres or a community centre consisting of the said community hall and such other institutional facilities such as a children and youth centre of a net operational floor area of not less than 366.3 square metres (hereinafter referred to as "the Neighbourhood Community Centre").
The decision of the Director as to the type of institutional facilities is final and binding.

(c) You shall within 42 months from the date to be specified in a letter from the Director to you, at your own expense and in all respects to the satisfaction of the Director:-

- (I) lay, form, provide, construct, surface and drain in such manner with such materials and to such standards, levels, alignment and design as the Director shall approve (including but not limited to the provision of such vehicular access and utilities as the Director in his absolute discretion may require) that part of the Lot having an area of 6,200 square metres and marked "N4a" on the Master Plan (hereinafter referred to as "Area N4a"); and
- (II) erect, construct, provide and complete in a good workmanlike manner and make fit for occupation and operation in accordance with the Technical Schedule annexed hereto and the plans approved under Condition (1)(f) hereof within Area N4a one public primary school of a net operational floor

area of not less than 5,729 square metres (hereinafter referred to as "the Public Primary School").

(d) The Government hereby reserves the right to alter or vary in its absolute discretion at any time the use of the Indoor Recreation Centre, the Neighbourhood Community Centre and the Public Primary School (collectively referred to as "the Government Accommodation") and the School Site in Area N4b or any part thereof.

(e) (I) For the purpose of determining the net operational floor area of any part of the Government Accommodation, the net operational floor area shall, unless otherwise stated, be taken as comprising the total of the net floor areas of all rooms and spaces within such part of the Government Accommodation as detailed in the Technical Schedules referred to in Conditions (1)(b) and (1)(c) hereof excluding any structures and partitions, circulation areas, staircases, staircases halls, lift landings, space occupied by toilet facilities, mechanical and electrical services such as lifts and air-conditioning systems.

(II) For the purpose of this Condition (1)(e), the net floor area of a room or space shall be that area enclosed within the perimeter walls or boundaries of a room or space as measured between the finished or notional wall surfaces, free-standing columns or wall columns within that room or space.

(f) (I) (i) You shall submit or cause to be submitted to the Director for his written approval plans of the Government Accommodation which shall include details as to the level, position and design of the Government Accommodation and any other details as the Director

may require.

- (ii) Upon approval being given to the plans of the Government Accommodation, no amendment, variation, alteration, modification or substitution thereto shall be made by you except with the prior written approval of the Director or except as required by the Director.
 - (iii) The plans of the Government Accommodation approved under this Condition (1)(f)(I) shall be deemed to incorporate any amendment, variation, alteration, modification or substitution subsequently approved or required by the Director.
- (II) (i) No building works other than site formation works shall commence on Area N5a, Area N5b and Area N4a until the plans of the Government Accommodation shall have been approved by the Director under sub-clause (I) of this Condition (1)(f).
- (ii) For the purpose of the conditions contained in this letter, the expressions "building works" and "site formation works" shall be as defined in the Buildings Ordinance and any amending legislation thereto.
- (g) (I) The Director shall have the right to amend, vary, alter, modify or substitute the Technical Schedules referred to in Conditions (1)(b) and (1)(c) hereof (hereinafter collectively referred to as "the Technical Schedules") as he shall in his absolute discretion deem fit.

- (II) No amendment, variation, alteration, modification or substitution to the Technical Schedules shall be made by you except with the prior written approval of the Director.

- (III) Any amendment, variation, alteration, modification or substitution by the Director under sub-clause (I) of this Condition (1)(g) or by you as approved by the Director under sub-clause (II) of this Condition (1)(g) shall be deemed to be incorporated into the Technical Schedules and form part thereof.

- (h) (I) The Director shall have the right in his absolute discretion to nominate officers of Government departments (hereinafter referred to as "the Officers") who shall generally oversee the formation of Area N4a, Area N5a, Area N5b and the School Site in Area N4b and the design, construction, provision and completion of the Government Accommodation and shall monitor the formation, construction, provision and completion thereof (hereinafter collectively referred to as "the Construction Works") in order to ensure that the Construction Works are carried out in accordance with the conditions contained in this letter.

- (II) You shall notify the Officers of any condition, restriction, requirement and information affecting or relating to Area N4a, Area N5a, Area N5b, the School Site in Area N4b, the Government Accommodation or any part thereof or the Construction Works forthwith upon the same becoming known to you, your 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 Officers when required by the Officers.

- (III) You shall keep the Director and the Officers advised from time to time as to when you shall be in a position to apply for the relevant Occupation Permit or Temporary Occupation Permit from the Building Authority in respect of the Government Accommodation or any part thereof.
- (IV) 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 Officers of the authority conferred under sub-clause (l) of this Condition (1)(h).
- (V) You shall indemnify the Government and the Director 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.
- (i) (l) If you shall fail to complete and make fit for occupation and operation to the satisfaction of the Director the Public Primary School within the period specified in Condition (1)(c) hereof, you shall pay to the Government on demand as hereby agreed by way of liquidated damages and not as a penalty a sum calculated at the rate of HK\$165,000 per day from the date immediately following the expiry of the period specified in Condition (1)(c) hereof up to and including such date as specified in the certificate of completion issued by the Director under Condition (1)(k) hereof.

- (II) If you shall fail to complete and make fit for occupation and operation to the satisfaction of the Director the Indoor Recreation Centre within the period specified in Condition (1)(b) hereof, you shall pay to the Government on demand as hereby agreed by way of liquidated damages and not as a penalty a sum calculated at the rate of HK\$60,000.00 per day from the date immediately following the expiry of the period specified in Condition (1)(b) hereof up to and including such date as specified in the certificate of completion issued by the Director under Condition (1)(k) hereof.
- (III) If you shall fail to complete and make fit for occupation and operation to the satisfaction of the Director the Neighbourhood Community Centre within the period specified in Condition (1)(b) hereof, you shall pay to the Government on demand as hereby agreed by way of liquidated damages and not as a penalty a sum calculated at the rate of HK\$42,000.00 per day from the date immediately following the expiry of the period specified in Condition (1)(b) hereof up to and including such date as specified in the certificate of completion issued by the Director under Condition (1)(k) hereof.
- (IV) If you shall fail to complete the formation works in respect of the School Site in Area N4b as provided in Condition (1)(a) hereof to the satisfaction of the Director within the period specified in Condition 1(a) hereof, you shall pay to the Government on demand as hereby agreed by way of liquidated damages and not as a penalty a sum calculated at the rate of HK\$7,300.00 per day from the date immediately following the expiry of the period specified in

Condition (1)(a) hereof up to and including such date as specified in the site formation completion certificate issued by the Director under Condition (1)(j) hereof.

(V) For the avoidance of doubt, the acceptance by the Government of payment of any of the sums of liquidated damages stipulated under sub-clauses (I), (II), (III) and (IV) of this Condition (1)(i) shall :-

(i) be in addition to and not in substitution of any other payment which may be demanded by the Government;

(ii) be without prejudice to the rights of the Government under the Conditions or under the conditions contained in this letter or otherwise; and

(iii) not discharge you from any of your obligations remaining to be observed and performed under the Conditions or under the conditions contained in this letter or otherwise.

(j) (I) Within 14 days after completion of the formation of the School Site in Area N4b, you shall deliver to the Director a certificate by an authorized person (as defined in the Buildings Ordinance) employed by you for the development of the Lot that the formation works in respect of the School Site in Area N4b has been completed in accordance with the conditions contained in this letter.

- (II) Where in the opinion of the Director (whose decision in this respect shall be final and binding upon you) the School Site in Area N4b has been formed to his satisfaction, the Director shall issue to you a site formation completion certificate to that effect.
- (III) Notwithstanding the issue of any site formation completion certificate by the Director, you shall not be absolved from any of your liabilities under Conditions (1)(h)(V), (1)(i)(IV) and (1)(q) hereof nor any other obligations remaining to be observed and performed by you.
- (k) (I) Within 14 days after the respective completion of the Public Primary School, the Indoor Recreation Centre and the Neighborhood Community Centre, you shall deliver to the Director a certificate by an authorized person (as defined in the Buildings Ordinance) employed by you for the development of the Lot that the relevant part of the Government Accommodation has been completed in accordance with the conditions contained in this letter.
- (II) Where in the opinion of the Director (whose decision in this respect shall be final and binding upon you) the Government Accommodation has been completed and made fit for occupation and operation to his satisfaction, the Director shall issue to you 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 Government Accommodation which the Director considers to have been completed and made fit for occupation and operation to his satisfaction.

(III) Notwithstanding the issue of any certificate of completion by the Director, you shall not be absolved from any of your liabilities under Conditions (1)(h)(V), (1)(i)(I), (1)(i)(II), (1)(i)(III) and (1)(q) hereof nor any other obligations remaining to be observed and performed by you.

(I) (I) Notwithstanding any provisions to the contrary contained in the Conditions, you shall when called upon so to do by the Director assign free of any consideration to The Financial Secretary Incorporated a corporation sole incorporated under and by virtue of the Financial Secretary Incorporation Ordinance (hereinafter referred to as "F.S.I." which expression shall if the context permits include its successors and assigns) with vacant possession, free from incumbrances, at your expense, the undivided shares specified in sub-clause (II) of this Condition (1)(I) together with the right to the exclusive use, occupation and enjoyment of the Government Accommodation and you shall complete the assignment of the Government Accommodation or any part thereof in respect of which a certificate of completion shall have been issued under Condition (1)(k) hereof within such time as may be specified in writing by the Director.

(II) The number of undivided shares in the whole of the Lot and the development thereon to be assigned to F.S.I. in accordance with sub-clause (I) of this Condition (1)(I) shall be such number of the undivided shares as allocated to Area N4a, Area N5a and Area N5b, which allocation shall be determined by the Director having regard to the Deed of Mutual Covenant registered in the Islands New Territories Land Registry by Memorial No. 112018 ("the Principal DMC"). The determination of the Director in this respect shall be

final and binding upon you.

- (III) When called upon to do so by the Director (irrespective of whether you shall have been called upon to assign under sub-clause (I) of this Condition (1)(I)) you 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.
- (IV) On completion of the assignment of the Government Accommodation or any part thereof you shall deliver to F.S.I. at your expense one set of the original or 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 your solicitor. All Islands New Territories Land Registry fees payable on registration of the Assignment or Assignments shall be borne by you solely.
- (m) (I) Notwithstanding any provisions to the contrary contained in the Conditions, you shall when called upon so to do by the Director assign free of any consideration to F.S.I., with vacant possession, free from incumbrances, at your expense, the undivided shares specified in sub-clause (II) of this Condition (1)(m) together with the right to the exclusive use, occupation and enjoyment of the School Site in Area N4b and you shall complete the assignment of the School Site in Area N4b in respect of which a site formation completion certificate shall have been issued under Condition

(1)(j) hereof within such time as may be specified in writing by the Director.

- (II) The number of undivided shares in the whole of the Lot and the development thereon to be assigned to F.S.I. in accordance with sub-clause (I) of this Condition (1)(m) shall be such number of the undivided shares as allocated to the School Site in Area N4b, which allocation shall be determined by the Director having regard to the Principal DMC. The determination of the Director in this respect shall be final and binding upon you.
- (III) When called upon to do so by the Director (irrespective of whether you shall have been called upon to assign under sub-clause (I) of this Condition (1)(m)) you shall submit or cause to be submitted to the Director for his approval in writing an Assignment in respect of the School Site in Area N4b, which Assignment shall be in such form and shall contain such provisions as shall be required or approved by the Director.
- (IV) On completion of the assignment of the School Site in Area N4b you shall deliver to F.S.I. at your expense one set of the original or certified copies of deeds and documents of title relating to the Lot and the Memorial of the Assignment in respect of the School Site in Area N4b duly completed and verified by the certificate of your solicitor. All Islands New Territories Land Registry fees payable on registration of the Assignment shall be borne by you solely.
- (n) (I) The Director shall have the right to demand at any time before the assignment of the Government Accommodation pursuant to Condition (1)(I)

hereof delivery of vacant possession of the Government Accommodation or such part thereof as required by the Director in respect of which a certificate of completion shall have been issued under Condition (1)(k) hereof and you shall upon such demand deliver the same to the Government for its exclusive use, occupation and operation upon such terms and conditions as the Director may consider appropriate.

(II) The Director shall have the right to demand at any time before the assignment of the School Site in Area N4b pursuant to Condition (1)(m) hereof delivery of vacant possession of the School Site in Area N4b and you shall upon such demand deliver the same to the Government for its exclusive use, occupation and operation upon such terms and conditions as the Director may consider appropriate.

(o) You shall, at your own expense and as soon as practicable but no later than 8 weeks from the respective dates of delivery of possession by you of the Indoor Recreation Centre, the Neighbourhood Community Centre, the Public Primary School and the School Site in Area N4b, provide to the Director all documents, drawings and materials relating thereto in accordance with the requirement of the Technical Schedules.

(p) Without prejudice to the provisions of Condition (1)(q) hereof you shall, at all times until expiry of the Defects Liability Period referred to in Condition (1)(q) hereof, at your own expense maintain in good condition and in all respects to the satisfaction of the Director the Government Accommodation (including the building services installations therefor) and the School Site in Area N4b.

- (q) (I) You shall indemnify and keep indemnified the Government and F.S.I. 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 Government Accommodation (including the building services installations therefor) and in the School Site in Area N4b :-
- (i) which may exist at the respective dates of delivery of possession by you of the Indoor Recreation Centre, the Neighbourhood Community Centre, the Public Primary School and the School Site in Area N4b; and
- (ii) which shall occur or become apparent within a period of 365 days after the respective dates of delivery of possession by you of the Indoor Recreation Centre, the Neighbourhood Community Centre, the Public Primary School and the School Site in Area N4b (hereinafter referred to as "Defects Liability Period").
- (II) Whenever required by the Director or by F.S.I. or by both of them, you shall at your own expense and within such time and to such standard and in such manner as may be specified by the Director or by F.S.I. or by both of them 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 Government Accommodation or any part thereof

(including the building services installations therefor) and in the School Site in Area N4b which shall occur or become apparent within any Defects Liability Period. In addition to the foregoing, you shall at your own expense and within such time and to such standard and in such manner as may be specified by the Director or by F.S.I. or by both of them make good and rectify any defects, wants of repair, imperfections, breakdown, faults or any other outstanding works in the Government Accommodation or any part thereof (including the building services installations therefor) and in the School Site in Area N4b which may exist at the respective dates of delivery of possession thereof by you.

- (III) The Director or F.S.I. or both of them will, shortly before the expiry of each and every Defects Liability Period, cause an inspection to be carried out in respect of the relevant part of the Government Accommodation (including the building services installations therefor) and the School Site in Area N4b for the purpose of identifying any defects, wants of repair, imperfections, breakdown, faults or any other outstanding works which may be evident. The Director and F.S.I. reserve the right to each of them to serve upon you within 14 days after the expiry of each and every 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 Government Accommodation (including the building services installations therefor) and in the School Site in Area N4b and you shall at your 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 or by F.S.I. or by both of them.

- (IV) If you shall fail to carry out any of the works referred to in sub-clauses (II) and (III) of this Condition (1)(q), then any such works may be carried out by the Government or by F.S.I. or by both of them and all costs and charges incurred in connection therewith as certified by the Director (whose decision shall be final and binding upon you) 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 you.

(2) Private Development

(a) You shall further develop the Lot by the erection thereon of the additional development in accordance with the Master Plan and complying in all respects with the Conditions and all Ordinances, byelaws and regulations relating to building, sanitation and planning which are or may at any time be in force in the Hong Kong Special Administrative Region, and in particular :-

(I) you shall within 54 months from the date of this letter complete and make fit for occupation within that part of the Lot marked "N1" on the Master Plan (hereinafter referred to "Area N1") a building or buildings having a total gross building area of not less than 57,953 square metres which shall not be used for any purpose other than residential purposes (excluding service apartments); and

(II) you shall within 90 months from the date of this letter complete and make fit for occupation :

(i) within Area N1 a building or buildings having a total gross building area of not less than 115,905 square metres (including the gross building area completed pursuant to sub-clause (I) of this Condition (2)(a)) which shall be used for residential purposes (excluding service apartments); and

(ii) within that part of the Lot marked "N2" on the Master Plan (hereinafter referred to as "Area N2") a building or buildings having a total gross building area of not less than 9,000 square metres of which not less than 300 square metres shall be used for wet market facilities

and of which not more than 6,000 square metres may be used for office purposes and the remaining gross building area shall be used for commercial purposes; and

(III) you shall within 120 months from the date of this letter complete and make fit for occupation :

(i) within Area N1 a building or buildings having a total gross building area of 173,855 square metres (including the gross building area completed pursuant to sub-clauses (I) and (II)(i) of this Condition (2)(a)) which shall be used for residential purposes (excluding service apartments); and

(ii) within Area N2 a building or buildings having a total gross building area of 18,166 square metres (including the gross building area completed pursuant to sub-clause (II)(ii) of this Condition (2)(a)) which shall be used for commercial purposes of which a total of 6,000 square metres may be used for office purposes including the completed office floor area permitted under Condition (2)(a)(II)(ii); and

(IV) you shall complete and make fit for occupation and operation within Area N2 :

(i) a transport interchange within 54 months from the date of this letter; and

- (ii) a ferry pier in 2 stages, the first stage within 54 months from the date of this letter and the second stage within 120 months from the date of this letter.

(b) (I) For the purposes of the conditions contained in this letter, the expression "gross building 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).

(II) Notwithstanding the provisions of sub-clause (I) of this Condition (2)(b), the Director at his sole discretion may

(i) in determining the gross building area of any building or buildings erected or to be erected on the Lot exclude any floor space that he is satisfied is, constructed or intended to be occupied solely by machinery or equipment for any lift, air-conditioning or heating system or any similar service, or any space for refuse disposal, or any floor space which the Building Authority may permit to be excluded;

(ii) in determining the gross building area, accept, for the purposes of calculation of that gross building 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 in the event that 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. The Director shall have the sole discretion in determining what comprises a structural element of any building or buildings erected or to be erected on the Lot.

- (c) You shall not assign or otherwise dispose of or part with possession of, except as a whole, such undivided shares as referred to in Condition (3)(b) hereof allocated to the commercial area of 18,166 square metres. Without prejudice to the foregoing, you may underlet for non-renewable terms of not more than ten years at a time (or for renewable terms the aggregate of the original terms and the term so renewed shall not exceed ten years) the commercial area of 18,166 square metres or any part or parts thereof.

(3) Other Provisions

(a) You shall at your own expense and in all respects to satisfaction of and within such time as stipulated by the Director of Environmental Protection fully implement all environmental impact mitigation measures, environmental pollution prevention and control requirements and the Environmental Monitoring and Audit programmes as recommended in the Environmental Impact Assessment Study dated March 1996 and submitted by you to the Director of Environmental Protection and comply with such other measures and requirements as the Director of Environmental Protection may from time to time impose.

(b) You shall provide the Director within one month from the date of this letter a certificate whereby you certify as to the total number of undivided shares in the Lot and the development thereon held by you (hereinafter referred to as "the HKR Undivided Shares") as at the date of such certificate. For the avoidance of doubt, the HKR Undivided Shares shall include the undivided shares in the Lot and the development thereon to be allocated to Area N1, Area N2, Area N4a, Area N5a, Area N5b, the School Site in Area N4b and that part of the Lot marked "N3" on the Master Plan.

(c) (l) (i) Notwithstanding that the Conditions shall have been observed and complied with to the satisfaction of the Director, you shall not assign, mortgage, charge, part with possession or otherwise dispose of Area N1 or any part thereof or any interest therein and Area N2 or enter into any agreement so to do unless and until you shall have first submitted to and obtained the approval in writing of the Director to a Sub-Deed of Mutual Covenant in respect of the whole of Area N1 and Area N2 and the development thereon (hereinafter referred to as "the extended

development”) to be entered into between you and your first assignee of an undivided share in the Lot and the development thereon as allocated to the extended development Provided that you may, subject to the Conditions and the conditions contained in this letter, assign, mortgage, charge, part with possession or otherwise dispose of a part of the extended development or individual units or interest therein or enter into agreement so to do if you shall have obtained the approval in writing of the Director to a Sub-Deed of Mutual Covenant in respect of the relevant part. For the avoidance of doubt, you shall not assign, mortgage, charge, part with possession or otherwise dispose of Area N2 or individual units or interest therein or enter into agreements so to do, except as a whole.

- (ii) The Sub-Deed of Mutual Covenant in respect of the whole or (as the case may be) a part of the extended development (hereinafter referred to as “the Sub-DMC”) shall be in such form and shall contain such provisions as the Director shall approve or require and in particular shall contain an allocation to the common areas or amenities for the common use and benefit of owners for the time being of the extended development or the relevant part thereof (hereinafter referred to as “the Common Areas”) a number of undivided shares in the Lot and the development thereon as allocated to the extended development or the relevant part thereof which in the opinion of the Director is appropriate.
- (iii) In the event that the Sub-DMC shall relate, inter alia, to the

Government Accommodation and the School Site in Area N4b or any part thereof the Sub-DMC shall, in addition to such provisions as referred to in sub-clause (I) (ii) of this Condition (3)(c), contain provisions to the following effect :-

- (1) F.S. I. as owner of the Government Accommodation and the School Site in Area N4b shall be responsible for the maintenance and management thereof;
- (2) subject to the provisions of the Principal Deed of Mutual Covenant in respect of the Lot and the development thereon F.S.I. as owner of the Government Accommodation and the School Site in Area N4b shall not be liable to contribute any management and maintenance expenses in respect of common areas and facilities serving the extended development or any part thereof and the Government Accommodation and the School Site in Area N4b other than common areas and facilities which are for the common use and benefit of all owners for the time being of the Lot and the development thereon;
- (3) F.S.I and its lessees, tenants, licensees and persons authorized by it and owner and occupier for the time being of the Government Accommodation and the School Site in Area N4b shall have the benefit of the following rights, privileges and easements :

- (a) the right of shelter support and protection of the Government Accommodation and the School Site in Area N4b;
- (b) 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 and the School Site in Area N4b through the gutters, sewers, drains, flues, conduits, ducts, watercourses, cables, pipes, wires and other conducting media which are now or may hereafter be laid on or running through the extended development or any part thereof;
- (c) the right at its own cost to alter, divert, vary, relay or reinstate any of the services and facilities serving exclusively the Government Accommodation and the School Site in Area N4b or any part thereof (hereinafter referred to as "the Government Accommodation Services") at any time at its absolute discretion without any charge by you 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 extended development and serving all those parts of the development on the extended

development other than the Government Accommodation and the School Site in Area N4b;

- (d) the right to go pass and repass over and along and to use any common areas and to use and receive the benefit of any common facilities for the common use and benefit of the extended development or any part thereof and the Government Accommodation and the School Site in Area N4b or any part thereof;
- (e) 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 extended development or any part thereof for the purposes of extending or carrying out maintenance, repair, addition and alteration works to the Government Accommodation and the School Site in Area N4b or any part thereof and maintenance, repair, alteration, diversion, variation, relaying and reinstatement works to the Government Accommodation Services or any part thereof;
- (f) the free and uninterrupted rights of way to and from the Government Accommodation and the School Site in Area N4b as may be required by the Director;

- (g) the exclusive right to install, erect, exhibit, display, maintain, repair, remove and renew signs and advertisements on any walls, columns and other structural elements of, within, around and on the boundary of the Government Accommodation and the School Site in Area N4b or any part thereof as F.S.I. shall deem fit and the right of access over the extended development or any part thereof 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;

- (h) 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 any roof slabs, walls and other structural elements of the Government Accommodation and the School Site in Area N4b or any part thereof;

- (i) the right to alter and run additional services to serve and benefit exclusively the Government Accommodation and the School Site in Area N4b or any part thereof on any walls, columns, beams, ceilings, roof slabs, floor

slabs and other structural elements of, in, around, within, above and below the same and the related right of access with or without servants, workmen and others and with or without plant, equipment, machinery and material; and

- (j) such other rights, privileges and easements as may be deemed necessary or desirable by the Director.
- (iv) (1) You shall comply with the approved terms and conditions of the Sub-DMC, and no amendment thereto may be made without the prior written approval of the Director and the payment of such fees as may be required.
- (2) You shall register or cause to be registered the Sub-DMC (and any approved amendment to it) by memorial against the extended development in the Islands New Territories Land Registry.
- (v) Every assignment or other disposal of any undivided share in the Lot and the development thereon allocated to any part of the extended development shall be subject to and with the benefit of the Sub-DMC relating to that part of the extended development. For the avoidance of doubt, you shall not assign, mortgage, charge, part with possession or otherwise dispose of Area N2 or individual units or interest therein or enter into agreements so to do, except as a whole.

(vi) You shall not assign, mortgage or charge (except by building mortgage or charge as may be permitted under the Conditions or the conditions contained in this letter), part with possession or otherwise dispose of any undivided shares allocated to the Common Areas or any interest therein or enter into any agreement so to do except that you may assign the undivided shares allocated to the Common Areas to the manager of the Lot appointed in accordance with the Principal DMC or to an Owners' Corporation formed under the Building Management Ordinance (Cap. 344) who shall hold the undivided shares on trust for the benefit of all owners for the time being of the Lot.

(II) Sub-clause (I) of this Condition (3)(e) shall not apply to :-

- (i) an assignment, underletting, mortgage or charge of Area N1 or Area N2 or Area N1 and Area N2 as a whole; or
- (ii) an underletting of individual units in the extended development.

(III) Notwithstanding the provisions of sub-clauses (I)(i) and (II) of this Condition (3)(e), you shall when called upon by the Director submit to the Director for his approval in writing a Sub-DMC which relates, inter alia, to the Government Accommodation and the School Site in Area N4b or any part thereof.

- (d) (I) Without prejudice to any other restriction on alienation of the Lot or any part thereof or any interest therein or any building or any part of any building thereon whether in the Conditions or the conditions contained in this letter, you shall not assign, underlet, mortgage, charge, part with possession or otherwise dispose of the extended development or any part thereof or any interest therein unless and until you shall have observed and complied with Conditions (1)(a), (1)(b) and (1)(c) hereof to the satisfaction of the Director. Notwithstanding the restriction on alienation of the Lot or any part thereof or any interest therein or any building or any part of any building, the Director may at its absolute discretion permit you to assign, underlet, mortgage, charge, part with possession or otherwise dispose of the extended development or any part thereof or any interest therein subject to such conditions as he deems fit including the option for a bank bond covering the expenses of any outstanding works in conditions (1)(a), (1)(b), and (1)(c) hereof. For the avoidance of doubt, you shall not assign, mortgage, charge, part with possession or otherwise dispose of Area N2 or individual units or interest therein or enter into agreements so to do, except as a whole.
- (II) Sub-clause (I) of this Condition (3)(d) shall not apply to a mortgage or charge of Area N1 or Area N2 or Area N1 and Area N2 or any part of parts of Area N1 (hereinafter referred to as "the Area") for the purpose of the development thereof and by way of building mortgage, it being agreed that for this purpose a building mortgage shall be one :-
- (i) whereby the Area is mortgaged or charged to secure monies (and interest thereon) advanced or to be advanced to you for the purpose

only of developing the Area in accordance with the Conditions and the conditions contained in this letter 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 you only in amounts to be certified from time to time by the authorized person (appointed by you under the Buildings Ordinance for the development of the Area) as having been incurred by you for the development of the Area; and
- (iii) under which the mortgagee is obliged, upon receipt of a sum representing the total purchase price under an agreement for sale and purchase approved by the Director in respect of a share or interest in the Area, to release such share or interest from the mortgage.

For the avoidance of doubt, you shall not mortgage or charge Area N2 or individual units or interest therein, except as a whole.

(e) Any failure or neglect by you to perform, observe or comply with any of the conditions contained in this letter shall be deemed to be a breach of the Conditions, and the condition of re-entry on the breach of the Conditions shall extend to any failure or neglect to perform, observe or comply with any of the conditions contained in this letter. For the avoidance of doubt, it is hereby declared and provided that the Government shall, without prejudice to any other remedies which the Government or the Director may have under the

conditions contained in this letter or otherwise, be entitled to exercise its right of re-entry under the Conditions should you fail or neglect to perform, observe or comply with any of the conditions contained in this letter.

- (f) (I) In the event of any breach, non-observance or non-performance of any of the conditions contained in this letter, the Director shall, without prejudice to any other remedies which the Director or the Government may have whether under the conditions contained in this letter or otherwise, have the right to serve upon you and to register in the Islands New Territories Land Registry a vesting notice to the effect that all or some of the HKR Undivided Shares together with the exclusive possession of such part of the Lot held therewith as specified in the vesting notice (hereinafter referred to as "the relevant interest") be vested in F.S.I. absolutely.
- (II) Upon the service of a vesting notice as provided in sub-clause (I) of this Condition (3)(f), the relevant interest shall be vested in F.S.I. as if there had, by your execution under seal of the docket on this letter, an assignment of the relevant interest from you to F.S.I. absolutely and F.S.I. shall have the power to deal with or otherwise dispose of the relevant interest in such manner as it thinks fit but free of any claim or objection from you.
- (g) (I) If there is any breach, non-observance or non-performance of any of the conditions contained in this letter, you shall, forthwith upon demand in writing made by the Director or within such time limit as may be imposed by the Director, assign to the Government or its nominee free of all costs, charges, compensation and consideration whatsoever free from any

incumbrance all or some of the HKR Undivided shares as the Director may require, and for this purpose you shall at your own costs and expenses execute an assignment in such form and containing such provisions as the Director may approve or require and you hereby irrevocably appoint the Director (who shall have the full power of substitution and may act through such officers, agents, nominees and substitute attorneys as he may from time to time appoint) by way of security as your attorney in your name or otherwise and on your behalf and as your act and deed to sign, seal, execute, deliver and perfect all deeds and instruments and do all acts, deeds, matters and things which may be required or which the Director shall think fit for carrying into effect the assignment in favour of the Government or its nominee.

(II) Nothing contained in sub-clause (I) of this condition (3)(g) shall prejudice the rights, remedies and claims of the Government whether under the Conditions or the conditions contained in this letter or otherwise.

(h) In the event of the exercise by the Government or (as the case may be) by the Director of any of the rights under Conditions (3)(e), (3)(f), or (3)(g) hereof, you shall not be entitled to any refund of premium paid by you or any part thereof or to any payment or compensation whatsoever whether in respect of any amount expended by you in the preparation, formation or development of the Lot or otherwise.

(i) No part of any building or structure erected or to be erected on the Area N1, Area N2, Area N3, Area N4a, Area N4b, Area N5a, Area N5b or any part or parts thereof shall exceed height contours shown on plan No. ISM0354 annexed hereto. The decision of the

Director as to what constitutes a building or structure shall be final and binding upon you.

(j) You may use part or parts of the building or buildings erected or to be erected on the Lot in accordance with the 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.

(k) The headings of the conditions contained in this letter shall not be deemed to be part of this letter and shall not affect the interpretation thereof.

(l) In this letter, where the context so admits or requires, words and expressions in the singular shall include the plural and words and expressions in the plural shall include the singular.

2. If the foregoing conditions are acceptable to you, I shall be glad if you will signify your acceptance by executing, under seal in accordance with your Articles of Association, the docket on both copies of this letter. After execution, please return to me both copies of this letter together with a certified copy of a resolution of your Board of Directors whereby authority is given to the affixing of your Common Seal hereto, whereupon this letter will be registered by memorial in the Islands New Territories Land Registry. On completion the original of this letter will be returned to you for retention. You may attach it for record purpose to the other land documents in your possession.


Yours faithfully,

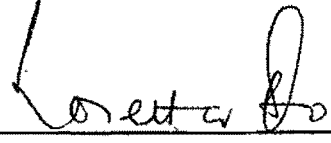
A handwritten signature in cursive script, appearing to read 'Florence Tsang', written in dark ink.


(Mrs. Florence TSANG)

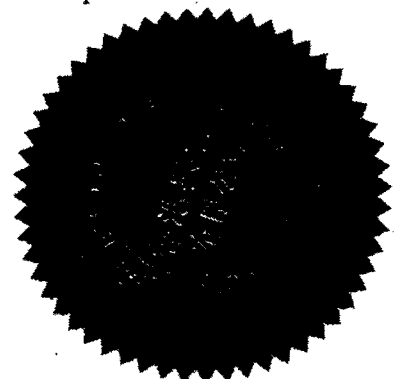
for Director of Lands

We hereby agree to and accept the foregoing conditions.

Witness : 
MAK SAU CHING IDA
(Signature and name
in block letters)


HO PAK CHING LORETTA - EXECUTIVE DIRECTOR


TANG MOON WAH - EXECUTIVE DIRECTOR
(Seal of Hong Kong Resort Company Limited
and signatures and names in block letters of its
attesting officers and description of their
offices)



HKID Card No. D233360(1)

Address :
LEVEL 2, PIER 3, CENTRAL
RECLAMATION PHASE 1,
CENTRAL, HONG KONG.

c.c. LACO/Islands

MP60E1@SC @1650m