

**DRAFT LEASE AGREEMENT OF
PAKISTAN RAILWAY CLUB, MCNEIL
ROAD KARACHI FOR IMPROVEMENT,
MANAGEMENT & OPERATIONS**

AGREEMENT

FOR

**THE LEASING OF PAKISTAN RAILWAY CLUB, MCNEIL ROAD KARACHI
FOR IMPROVEMENT, MANAGEMENT & OPERATIONS**

Signed between

THE ISLAMIC REPUBLIC OF PAKISTAN

THROUGH

**PAKISTAN RAILWAYS, MINISTRY OF RAILWAYS,
RAILWAYS DIVISION GOVERNMENT OF PAKISTAN**

AND

(PRIVATE PARTY (IES))

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AGREEMENT

THIS LEASE AGREEMENT (this "Agreement") is made and entered into at _____
on this ____ day of _____, 20__.

By and between

_____ (the "Lessor") through PAKISTAN RAILWAYS, THE MINISTRY
OF RAILWAYS, RAILWAYS DIVISION, GOVERNMENT OF PAKISTAN ("the PR") of the
one part;

(The Lessor and PR hereinafter shall collectively be referred to as "Lessor")

And

(Company Name), a Private Limited Company incorporated under the Applicable Laws of
Pakistan by the selected Bidder and having its registered office at [Insert Address] and
represented herein through Mr./Ms. [inset name], the Authorized Signatory, as authorized
vide Board Resolution dated [inset date] or by Power of Attorney dated [inset date] executed
in his/her favor of the other part;

(hereinafter referred to as "the Lessee", which expression shall include where the context so
permits, it's successors-in-interest and assigns).

(The Lessor and Lessee hereinafter shall collectively be referred to as the "Parties" and each
individually as "Party")

WHEREAS:

- A. The Lessor is the owner of the freehold land measuring 5.09 acres together with any and all improvements situated thereon held under and more particularly described marked in **Exhibit A** hereto;("the Property").

The Lessor is desirous for leasing of Pakistan Railway Club, Mcneil Road Karachi for improvement, management & operations.

- A. ("the Club") by way of delivering 'the possession of the Property for the purposes of: repair, renovation, re-configuration, construction, development, finance, manage, operate, maintain, possess and control the Club, new additions, and any other facilities as deemed necessary and agreed in writing by the Parties after the entry into force of this Agreement.
- B. The Sponsors in response to the invitation/tender documents issued by the Lessor on [insert date] for the proposed lease of the Club submitted a bid/proposal for carrying out the Project on the [insert bid submission deadline] to the Lessor. Pursuant to a competitive bidding process conducted by PR, the Sponsors were informed by the Lessor vide letter dated [insert date] (**the Letter of Acceptance**) that the Sponsors had submitted the highest bid for the Project and that the Lessor had accepted the Sponsor's Bid.
- C. The Sponsors incorporated a special purpose vehicle by the name of _____ (Private) Limited (the "Lessee") which shall undertake the execution of the Project and shall become responsible for all rights, interests and obligations of the Lessee in this Agreement from the date of it having served on the Lessor, a special resolution passed by the Board of Directors of [Company name] (Private) Limited to the said effect.
- D. The Lessor and the Lessee are entering into this Agreement so that the Lessee can carry out the Project based on the terms and conditions set out herein and in a manner that reflects the close co-operation between the public and the private sectors in the development of tourism/hospitality and services industry and efficient management of the PR's asset.

NOW THEREFORE in consideration of the Fees reserved hereunder and the terms and conditions hereof, the Lessor hereby rents, demises and leases to the Lessee and the Lessee takes on lease from the Lessor the Property upon the following terms and conditions.

INTERPRETATIONS AND DEFINITIONS

A. In this Agreement, unless there is something in the subject or context inconsistent therewith, the following expressions shall have the following meanings:

"Acre"	means four thousand (4,840) square yards;
"Agreement"	means this Agreement and the Exhibits thereto, as varied, amended or supplemented from time to time by the Parties and which shall be read as an integral part of this Agreement;
"Bid"	means the detailed bid proposal submitted by the Sponsors for the Project on <insert bid submission date> attached as Exhibit I ;
"Business Day"	means a day in which banks are open for business in Karachi, Pakistan;
"Calendar Year"	means the Gregorian Calendar Year;
"the Club "	means the buildings comprising of all the facilities and other ancillary activities as described in Exhibit B ;
"Company"	means the company by the name of <____> (Private) Limited, (the "Lessee") formed by the Sponsors for the execution of the Lease Agreement;
"Commencement Date"	means the date of fulfilment or waiver of the condition precedent enumerated under clause 1.4;
"Conditions Precedent"	means the conditions precedent to be fulfilled by the Lessor prior to the Lease Commencement Date and delivery of possession of the Property to the Lessee; more particularly stated in Clause 1.4 hereof;
"Consents"	means all such approvals, consents, authorizations, notifications, concessions, acknowledgements, agreements, licenses, permits, decisions or similar items required to be obtained from GOP and/or Public Sector Entity for the Lease Term required by the Lessee to fulfil any obligations under this Agreement;
"Day"	Means working day;
"Dispute"	bears the meaning attributed thereto in Clause 22;
"Duties"	means and includes customs duty levied under the Customs Act, 1969 and sales tax levied under the Sales Tax Act, 1990 both as amended from time to time;
"Entry into Force CPs"	Has the meaning specified under clause 1.4;
"Existing Members"	mean the Club members holding active and non-active memberships on the date of signing of the Agreement;

"Expiry Date"	means the last day of the Lease Term pursuant to this Agreement;
"Financial Year"	means a period of twelve (12) months beginning from July 01 and ending on June 30 of the subsequent year;
"Upfront Fee"	means a fixed amount to be paid by the Lessee in accordance with the Upfront Fee Schedule as prescribed in Exhibit C , irrespective of operational performance of the Lessee;
"Force Majeure Events"	meaning attributable thereto in Clause 20;
"Foreign Currency"	means currency other than Pakistani Rupees;
"GOP"	means the Government of the Islamic Republic of Pakistan;
"Government of Sindh"	means the Government of the Province of the Sindh;
"Investors"	mean the shareholders of the Lessee from time to time;
"Laws of Pakistan"	mean all Federal, Provincial and Local Laws of Pakistan and all Orders, Rules, Regulations, Statutory Regulatory Orders (SROs), Executive Orders, Decrees, Policies, Judicial decisions, Notifications or other similar Directives made pursuant thereto issued by any executive or administrative, legislative or judicial Authority or any one or more of them and which may be amended from time to time;
"Lease hold Rights"	means all the exclusive and irrevocable lease and possession rights, licenses, easements and interests in, under, above and over the Property including without limitation, the rights to use and right to have uninterrupted access, to the Property leased to the Lessee by the Lessor from the Lease Commencement Date for the Lease Term or any extension thereof for carrying out the Project;
"Lease Commencement Date"	means Effective Date;
"Lease Term"	means the initial period of 5 years commencing from the Lease Commencement Date in pursuant to Clause 2.2;
"Lessee"	means <Insert company name>;
"Lessee's Event of Default"	shall have the meaning ascribed in Clause 21.1;
"Lessor"	means <insert name> through Pakistan Railways, Ministry of Railways, Railways Division, Government of Pakistan;
"Lessor's Entitlement"	means quoted Upfront/premium Fee and quoted annual rentals and Penalty or any other payment due to Lessor as may be mutually agreed by both Parties in writing;
"Lessor's Event of Default"	shall have the meaning ascribed to it in Clause 21.3;
"Members"	mean the existing and prospective members of the Club;

"Month"	means a month according to the Gregorian Calendar;
"Operations Phase"	means the period commencing on the Lease Commencement Date and ending on the Expiry Date;
"Pakistan"	means the Islamic Republic of Pakistan;
"Party/Parties"	means either the Lessor or the Lessee or both, as the case may be;
"Performance Security"	means Performance Security to be submitted by the Successful Bidder equal to Annual rentals of one year as specified in financial model submitted by the Bidder.
"Person"	means a natural or a non-natural person;
"Project"	means and includes the leasing of the Property/the Club by the Lessor to the Lessee for the work as specified in the Clause 2.1;
"Property"	means freehold land measuring 5.09 acres together with any and all improvements situated thereon, and all rights, easements, appendages, privileges and appurtenances pertaining thereto, if any; held under and more particularly described marked in Exhibit A hereto;
"Prospective Members"	means a person to be a member of the Club subsequent to the date of signing of the Agreement;
"PR"	means Pakistan Railways, Ministry of Railways, Railways Division, Government of Pakistan;
"Public Sector Entity"	means the GOP and the Government of Sindh and any subdivision of either, any local government authority with jurisdiction over the Lease, the Project or any part thereof, Courts or Tribunals in Pakistan and any department, authority, agency or judicial body of the GOP, the Government of Sindh, or any such local governmental authority and includes PR or any department, authority or agency from which Consents are to be obtained, and any authority or other person(s) having jurisdiction under the Laws of Pakistan with respect to the Parties and the financing, designing, construction, operation or maintenance of the Project;
"Public Utility"	means water supply, electricity supply, telecommunication system, sewerage system, petroleum, gas supply and other utilities & amenities for the benefit of the public;
"Rupees / PKR"	means the lawful currency of the Islamic Republic of Pakistan;
"Sponsors"	Names of all the Sponsors (JV partners) whose bid was approved and accepted by PR;

"Termination Date"	means the date of termination of this Agreement or early termination pursuant to termination as specified in Clause 21;
"Upfront Fee/Premium"	means accumulated amount to be paid outright within eight (8) weeks from the date of issuance of Letter of Acceptance;
"Week"	means a 7-day cycle beginning on Monday and ending on Sunday;

- B. All references to "the Lessor" in this Agreement shall also be a reference to "PR" and vice versa.
- C. All references to "the Property" in this Agreement shall also be a reference to "the Club" and vice versa.
- D. References to clauses, Exhibits and Recitals are references to clauses, exhibits and recitals of this agreement and references to Sub-clauses, Paragraphs and Sub-paragraphs are, unless otherwise stated, references to sub-clauses of the clauses or paragraphs of the sub-clauses (or, as the case may be, exhibit) or sub-paragraphs of the paragraph in which the reference appears.
- E. The headings to the Clauses and Paragraphs are inserted for ease of reference only and shall not affect the interpretation or construction of this Agreement.
- F. Where an act is required to be done within a specified number of days after or from a specified date, the period is inclusive of and begins to run from the date so specified.
- G. The Recitals hereinbefore form and are to be read as an integral part of this Agreement and shall be given effect accordingly.

1 THIS AGREEMENT

1.1 ASSIGNMENT AND GRANT OF RIGHTS AND LICENSE

In consideration of the mutual covenants and obligations of the Parties hereto and in pursuance of the accepted Bid of the Sponsors, the Lessor hereby irrevocably and exclusively grants and legally assigns to the Lessee during the Lease Term unless terminated earlier according to the terms of the Agreement:

- i. The Leasehold Rights in respect of the Property for carrying out the Project and include the right to perform all activities necessary in relation to the completion of the Project;

1.2 DELIVERY OF THE PROPERTY

- i. The Lessor shall subsequent to completion of Clause 1.4 deliver possession of the Property to the Lessee free from obligations and encumbrances as identified in **Exhibit A**.
- ii. The Property shall be delivered to the Lessee with vacant possession with all buildings, structures, utilities, boundary walls, landscape including trees & shrubs, services; intact and on an "as is where is" basis.
- iii. The Property is to be delivered to the Lessee without transfer of old liabilities, debts, corporate and any other types of taxes (direct including income tax, wealth tax, sales tax, customs duty, excise duty, levies, rates, cess, transfer fees, property taxes, etc.) and utility charges and all other such charges, burdens or other onus. Any outstanding liability before the Commencement Date shall be the responsibility of the Lessor and Lessee shall not be bound to pay any such amount. If the payment becomes imminent for the operation of the Club, the Lessee may with prior written request from the Lessor, pay and settle any such outstanding dues on behalf of the Lessor and adjust the same into subsequent payments due to Lessor after due notice to the Lessor. The Lessor shall provide to the Lessee verified and attested copies of the relevant utilities' bills upon request by the Lessee. Subsequently if any claim or liability comes to surface pertaining to the period before the lease commencement date it shall also be the responsibility of the Lessor and Lessee shall hold no responsibility in this regard
- iv. The Lessor shall have a right over all the receivables including those due from the Existing Members at the Lease Commencement Date. Subsequently if any claim or receivable comes to surface pertaining to the period before the lease commencement date, it shall be the sole right of the Lessor and Lessee shall hold no right in this regard except up to receiving it on the behalf of the Lessor and surrendering the same to the

Lessor. Similarly, the claims of the existing members, approved secured and unsecured creditors and any other kind of dues whatsoever pertaining to the Club shall be the responsibility of the Lessor, whether or not existing as at the date of delivery of the Property.

- v. Lessee shall have no right to unblock memberships without clearance of outstanding dues, of such members of the Club, whose membership have been blocked due to non-payment of dues and their dues remained unpaid till the lease commencement date. The outstanding dues of such members settled subsequent to lease commencement date shall be collected by the Lessee and surrendered to the Lessor and Lessee shall have no right or claim over such amounts.
- vi. Amounts received in respect of advance bookings and commitments made relating to it, till the Lease Commencement Date, and not already fulfilled; the responsibility of fulfilling those commitments shall be transferred to the Lessee along with advances received and the Lessee shall ensure such obligations are fulfilled by it on behalf of the Lessor.

1.3 LEASE COMMENCEMENT DATE

The Lease Term shall begin from the Lease Commencement Date for a period of 5 years unless terminated earlier as per terms and conditions of this Agreement. The lease shall be renewed/extended for further two terms of same period.

1.4 CONDITIONS PRECEDENT

The Conditions Precedent for the Lease Commencement Date shall be the following:

- a) The precise boundary, location and area of the Property and the Club facilities as is where is status shall have been surveyed and determined by a Joint Surveyor of Lessor & Lessee and a copy of the survey report shall be attached hereto as **Exhibit A, Exhibit B, Exhibit B-I and Exhibit G**, respectively, prior to the Lease Commencement Date;
- b) the Lessee has provided the Performance Security to the Lessor that remains effective and valid till six (6) months from the Expiry Date of the Lease Term.
- c) Lessee has executed:
 - (aa) the EPC (engineering, Procurement & Construction) Contract between itself and the Construction Sub-contractor, if so, required by the Lessee;
 - (bb) Shareholders Agreement; and

- (cc) In case of JV, a resolutions of the respective JV members as well as the Sponsors to Undertake the Project and abide by the terms and conditions of the Agreement.
- d) Lessee has procured, all the Consents not falling within the purview of Lessor that are necessary for the implementation of the Project and commencement of the Lessee's Works in pursuant to Clause 2.
- e) Lessee has paid Upfront Fee/Premium quoted within 8 (eight) weeks from the date of issuance of Letter of Acceptance by the Lessor.

2 LESSEE'S WORK & TERM

2.1 LESSEE'S WORK

- a) Subject to and in accordance with the provisions of this agreement, Lessor hereby grant lease of the Property including the exclusive right, license and authority during the subsistence of this agreement to design, construct, install, commission, operate, implement and maintain the Project and the Lessee hereby accepts the lease and agrees to implement the Project, which include without limitations, the following activities:
- i. Carrying out of the works and generally developing, designing, engineering, financing, construction, commissioning of Property;
 - ii. Restoration, refurbishment and renovation of the Club;
 - iii. Development of:
 - 2 Marque (Capacity minimum 400: person each);
 - 10 Guest rooms which includes one suite having a three-star classification as prescribed under Schedule 1 of "The Pakistan Hotels And Restaurants Rules, 1977";
 - iv. Repair, maintenance, renewal, rectification or replacement works or any other equipment, fitting or fixture during the development or Operation Phases of the Project;
 - v. Provision of the Services during the Operations Phase;
 - vi. Collect and charge revenue from the services as per provisions of this Agreement till Termination Date or Expiry Date, whichever is earlier; and
 - vii. Transfer of Property & the Club to Lessor at the end of the Lease Term in accordance with the applicable provisions of this Agreement.
- b) In addition to Lessee's maintenance obligations hereunder, Lessee shall, at its sole cost and expense, invest at least a total of PKR <-> over the Term in Capital Improvements to the Property. For the purposes of this Lease, "Capital Improvements" shall mean any labor or materials which modify the Property or which create or modify permanent structures on the Property, including but not limited to irrigation system upgrades; clubhouse renovation, construction or improvements; renovation,

construction or improvements to storage facilities or garages; golf course renovation; and cart path and road construction or improvements and those specified in **Exhibit G**.

- c) All Capital Improvements and other alterations or additions to the Property made by Lessee shall be performed in accordance with Clause 2.1 hereof and shall become the property of the Lessor upon termination of the Lease.

2.2 LEASE TERM

In consideration of the Property herein, the Lessor hereby grants and the Lessee hereby agrees to accept the lease of the Property for a period of 5 years, beginning from lease commencement date, which shall be extendable for further two terms of same period.

2.2.1 APPROVAL OF BUILDING PLANS

The additions to the Property as per Lessee's Work, require approvals from Public Sector Entities, it shall be the Lessee's responsibility to obtain such approval. The Lessor shall ensure full cooperation in this regard, as far as availability of the documents or cooperation of related representatives is concerned.

3 FEES

The Lessee shall be liable to pay fees to the Lessor with respect to the lease arrangement in the form of _____. The fees shall be paid out of bank accounts maintained by Lessee as prescribed in Clause 7.

3.1 UPFRONT FEE (NON-REFUNDABLE PREMIUM)

An upfront fee/premium quoted shall be paid by the Lessee within eight (8) weeks from the date of Letter of Acceptance.

3.2 RECORDS

The Lessee shall keep, during the Lease Term and for 2 (two) years following termination or expiration of this Agreement, all documents related to services, complete book of accounts as required under Companies Act 2017 and accurate record of all transactions connected with this Agreement including but not limited to, all correspondence and invoices issued and receipts by the Lessor.

The Lessee shall keep full, complete and proper books, records and accounts in accordance with generally accepted accounting principles as applicable. The record maintained should record Gross Revenue and related direct cost of each activity operated in the Club, for the sake of transparency and accountability.

3.3 MODE OF PAYMENT OF LESSOR'S ENTITLEMENT

Payment of all the money due as Lessor's Entitlement, if paid in Pakistan Rupees, shall be made in the form of cross cheque or demand draft or pay order issued in favour of "FA & CAO Pakistan Railways"

3.4 PROCEDURE FOR IMPOSITION OF PENALTY

- (a) If Lessor finds anything contrary to the description and scope of work specified in the technical documents, which are liable to be penalized, the Lessee will be warned in writing at first instance and granted a reasonable time period for rectifying the deficiency. In case Lessee fails to comply with the warning, it shall be penalized to the extent of amount involved in the default as determined by Lessor.
- (b) If during the Lease Term, any governmental or regulatory authority or agency impose any fines or penalties against Lessee or Lessor arising from Lessee's failure to operate and maintain the Property and Club in accordance with applicable Laws, such fines and penalties shall be the sole responsibility of Lessee.

4 MEMBERSHIP & GUEST ROOMS

1. The memberships of the Club shall be segregated into three categories i.e. private memberships, government employees memberships as per terms & conditions laid down by lessee and complementary memberships for 20 Railway Officers nominated by CEO/Sr. General Manager.
2. The eligible government employees and private members, as aforementioned, shall be awarded membership for the lease period, whereas the membership of Pakistan Railway Officer shall be for the period against which he remained on nominated post.
3. The lessee shall keep two guest rooms reserved for Railway Officers of BPS-19 & above per day which shall be allotted to the visiting officer, on payment of @ 25% of rental charges. The list of officers shall be sent by Divisional Superintendent, Pakistan Railway, Karachi to the lessee accordingly. In case, rooms remain vacant, no payment shall be made to lessee. However, these two rooms shall not be allotted to any other visitor by lessee.

4.1 MEMBERS' RIGHTS & OBLIGATIONS

1. Access to the Club: The existing and prospective members shall be entitled to all privileges of the Club and use of its facilities after accepting terms & conditions offered by lessee.

2. No financial liability: Membership does not impose any financial liability on members except for such payments as are due to the Club as per terms of membership.
3. No sharing of income: Members are not entitled to receive any income, dividends or other distributions from the operation of the Club.
4. Provision of Membership list: The list of members at the Club is the property of Lessee and may be furnished to members at the sole discretion of the Lessee. The list of members must not be used by or given to any non-member. Furthermore, any unauthorized disclosure of the list of members shall be considered injurious to the character and interests of the Club.
5. Bound by rules: Every Member and person utilizing Members' privilege shall be deemed to agree to be bound by the rules of the Club and defined from time to time by the Lessee for the operation of the Club facility;

5 FINANCIAL RECORD

1. Any query raised by the Lessor on the information/documents/reports provided by the Lessee related to the Club and its operations shall be addressed by the Lessee on immediate basis. Non-compliance of the same after reminder by the Lessor shall be treated as violation of the Agreement.
2. The Lessor shall have access to the financial record, provided the Lessee shall be intimated in writing.

6 INTERNAL AUDIT

The Lessee shall ensure existence of internal audit function in the Club. The Internal Audit function may, however, be outsourced by Lessee to professional services firm or be performed by establishing its own internal audit department by hiring qualified staff for the purpose. The charter of internal audit shall be defined and approved by the Lessor. The charter shall define the scope of their work and reporting mechanism. Every internal audit report shall be submitted to the Lessor and any clarification required by them shall be submitted on immediate basis. The head of internal audit shall be reportable to the board of directors of the Company formed by Lessee for the execution of the lease contract. In case of the internal audit, a professional firm shall be hired to perform internal audit, the firm shall be selected from those given in **Exhibit E**, other than the one who shall be acting as statutory auditor of the Company.

7 BUDGETS, BANK ACCOUNTS & COLLECTIONS

- a) Lessee shall collect all sums due from the Club operations in the ordinary course of business and shall deposit such sums into a bank account (the "Operating Account") in the name of the Company. The account shall be operated by the Lessee's representatives. All funds in the Account shall be the exclusive property of Lessee. Lessee shall keep detailed records of all bills and invoices received from the Club's operations in accordance with this Lease and shall pay all bills as and when the same become due unless contested in good faith.

8 USE

8.1 PERMITTED USE

The Lessee shall not use, construct, nor permit or suffer the use of, the Property for any business or purpose other than solely and specifically for the purposes as set forth herein without the prior written consent of the Lessor.

8.2 USES PROHIBITED

The Lessee shall not do or permit or suffer anything to be done in or about the Property which will in any way obstruct or interfere with the rights of residents of the neighborhood of the Property nor shall the Lessee use/or allow the Property to be used for any unlawful or offensive purpose, nor shall the Lessee cause, maintain or suffer or permit any nuisance in, on or about the Property. The Lessee agrees that during the Lease Term, the Property shall be kept in a clean and wholesome condition, free of any objectionable noises or odors and that all health and police regulations shall in all respects and at all times, be fully complied with by the Lessee. The Lessee shall not commit or allow to be committed any waste in or upon the Property. If the use permitted under this Lease shall be a use that may generate excessive noise, offensive odors or other offensive impacts which could be a nuisance to surrounding neighborhood, the Lessee shall be responsible for installing, providing for and maintaining, at the Lessee's sole cost and expense measures to mitigate the nuisance or potential nuisance.

8.3 OPERATION OF BUSINESS

The Lessee shall conduct its business on the Property during the entire Lease Term with diligence and efficiency.

The Lessor agrees that such management and operation of the existing & proposed Project facilities, including condition and appearance of the Property, shall be conducted in accordance with the highest modern professional operations & management and golfing standards employed at top golf and country clubs.

In the event, at any time during the Lease Term, a condition should exist in, on, or about the Property of an emergency nature which, in Lessee's sole and absolute discretion, requires immediate action to preserve and protect the Property, to better assure the Property's continued operation, or to protect the Property's members, guests, or employees. Lessee is bound to take all steps and to make all reasonable expenditures necessary to repair and correct any such condition, and Lessor shall not be bound to bear any of such expenditure.

8.4 COMPLIANCE OF LAW

The Lessor shall also be under an obligation at its sole cost and expense to faithfully observe and promptly comply with all local, provincial or federal laws, statutes, ordinances and governmental regulations and requirements now in force or which may hereafter be in force with respect to the Lessor allowing the Lessee to use, occupy and possess the Property and conduct business thereon. However, the permissions required from the Federal as well as from Provincial Public Sector Entities including Lahore Development Authority, Municipal Corporation Lahore for the establishment of new facility or the operation of the Club shall be the sole responsibility of the Lessee. Any related cost shall be paid for by the Lessee.

8.5 HAZARDOUS MATERIALS AND SAFETY PRECAUTIONS

- (a) The Lessee shall at all times and all respects comply with all federal, provincial and local laws, ordinances, rules and regulations relating to hygiene, environmental protection or the use, analysis, generation, manufacture, storage, presence, disposal or transportation of any Hazardous Materials as hereinafter defined.
- (b) The Lessee shall not cause or permit any Hazardous Materials to be brought upon, kept, stored, generated, treated, manufactured, produced, disposed of, discharged, released, spilled or used in, on or about the Property by the Lessee. If the Lessee breaches the obligations stated herein, or if the presence of Hazardous Materials on the Property caused or permitted by the Lessee results in contamination of the Property or any adjacent property, then the Lessee shall indemnify, defend and hold harmless the Lessor from and against any and all claims, judgments, actions, damages, penalties, fines, forfeitures; costs, expenses, liabilities or losses which arise during the Lease Term or any extension hereof, as a result of such breach.
- (c) The term "Hazardous Materials" in this Clause shall mean any flammable item, explosive, radioactive material, hazardous or toxic substance, material or waste or related materials.
- (d) The Lessee shall comply with all applicable safety laws and regulations in its design, access arrangements and operations on the Property, including, without limitation, Applicable Laws and Applicable Permits and the most recent revisions of standards published by the International Organization for Standardization for the protection of the environment and human health and safety. The Lessee shall, from the Lease Commencement Date until the Expiry Date, provide:
 - i. fencing, lighting, guarding, watching and protection of the Property;

- ii. temporary roadways, footways, flagmen, warning signs, guards and fences which may be necessary for the accommodation and protection of employees and occupiers of adjacent land, the public and others;
- iii. reasonable measures for the prevention of fires;
- iv. the elimination of excessive dust or smoke;
- v. the protection of overhead utility lines, underground pipes, conduit or cables;
- vi. protection of adjacent properties from subsidence, collapse, discharge, and from dust, smoke, fire and chemical or other intrusion from the performance of any works at the Property;
- vii. personal protection equipment for all personnel (as need be); and
- viii. first aid facilities for all personnel.

9 MAINTENANCE & REPAIR

9.1 MAINTENANCE AND REPAIR BY LESSEE

The Lessee shall at all times throughout the Lease Term, at its sole cost and expense, keep the Property in good order and condition in accordance with the best practices and maintenance standards. The costs and repairs shall be paid by the Lessee. The bills and invoices for Lessee's costs shall be delivered directly to the Lessee by the contractor providing such services. Without limiting the generalities thereof, the Lessee shall keep the glass of all windows, doors and showcases clean and presentable; replace immediately all broken glass in the Property; at reasonable intervals paint or refinish the interior of the Property, including entrances; make any necessary repairs to or replacements of, all door closure apparatuses and mechanisms; keep all plumbing clean and in good state of repair including pipes, drains, toilets, basins, water heaters; and keep all utilities (including circuit breaker and panel boxes and Lessee's meters) within the Property in a good state of repair.

Lessee hereby agrees to expend PKR <-> for maintenance and repairs immediately after the signing of this Agreement as per list given in **Exhibit G**. In this regard, the Lessee shall maintain complete record to make it accessible to the Lessor.

9.2 EQUIPMENT & MACHINERY MAINTENANCE

- a) Lessee must provide, install and maintain at its own cost and expense, all equipment required for the operation and maintenance of the Club. Lessee will be required to repair and maintain, at Lessee's own cost and expense, all equipment and furnishings according to reasonable standards. Further, Lessee will furnish, at Lessee's own cost and expense, all expendable, plus any items of equipment which were purchased with insurance proceeds received due to the damage, destruction or theft of items of the Club, in the same condition as originally delivered to Lessee, reasonable wear and tear excepted. Any other items of equipment which were purchased by Lessee shall remain the property of Lessor at the end of Lease Term or upon termination.

Equipment necessary for the successful operation of the Club shall be replaced at Lessee's own expense.

- b) Upon expiration of the Lease, Lessee shall redeliver to the Lessor all of the Property listed on **Exhibit A** and **Exhibit B**, plus any items of equipment which were purchased with insurance proceeds received due to the damage, destruction or theft of items of the Personal Property including any other items of immovable material which were purchased by Lessee for development of building infrastructure for guest rooms and marquees as part of capital expenditure.
- c) The Lessor hereby confirms that all of the infrastructure listed in **Exhibit B-I**, attached hereto, is owned by the Lessor and is free and clear of any and all liens and encumbrances of any kind, is, and shall at all times during the Term, remain located at the Club for the unrestricted and unconditional use by Lessee and its employees, for the purposes of performing Lessee's Work as set out in Clause 2. From time to time during the Term, Lessee may, in its sole discretion, may purchase new pieces of equipment and/or machinery as it deems necessary or appropriate in connection with its performance obligations. All pieces of removable equipment or machinery so purchased and installed temporarily by Lessee during the Term shall at all times be and remain the exclusive property of Lessee at the end of Lease Term. In case of termination of agreement, the installed equipment and machinery shall be forfeited alongwith the performance guarantee by Pakistan Railway Administration.

10 UTILITIES

10.1 LESSEE'S OBLIGATIONS

- a) The Lessee shall pay, at its sole cost and expense, all charges for water, gas, electricity, telephone service, cable service, sewer service charges and sewer rentals charged or attributable to the Property, and all other services or utilities used in or upon the Property by the Lessee from the Lease Commencement Date and throughout the Lease Term hereby created and any extension thereof including the cost of installing new meters thereon (including service and connection fees, if any).

10.2 LESSOR'S OBLIGATIONS

- (a) The Lessor shall on the request of the Lessee use its best endeavors to provide to the Lessee, in a timely manner so as not to interfere with the regular progress of the Lessee's Works, with such information as it holds or is available to it in respect of Public Utilities in, under, above or through the Property;

- (b) The Lessor shall render all reasonable assistance as may be necessary to support the Lessee in relation to any such applications relating the utilities to the relevant public authorities or companies or other undertakings provided that the Lessee has complied with all statutory and other legal requirements necessary for such applications.

11 LIENS AND ENCUMBRANCES

11.1 LIENS

The Lessee shall keep the Property free from (and shall indemnify, defend and hold Lessor harmless from and against) any liens arising out of any work performed, materials furnished or obligations incurred by Lessee.

11.2 ENCUMBRANCES

The Lessee shall not cause or suffer to be placed, filed or recorded against the title to the Property, or any part thereof, any mortgage, or other encumbrance; and further, in no event shall the Lessee encumber the leasehold Property created pursuant to this Agreement.

12 ASSIGNMENT, MORTGAGING AND SUBLETTING

12.1 ASSIGNMENT, MORTGAGE OR SUBLEASE

Neither Lessee, nor Lessee's legal representatives, successors or assigns, shall directly or indirectly, voluntarily or by operation of law, assign, transfer, hypothecate, mortgage or encumber this Property. Any such act shall be considered a material breach of this Agreement by the Lessee. The Lessee shall not be entitled to sub-lease all the rights vested with the Lessee to any third party.

Any changes in the composition with regard to sale or transfer of shareholding in the Company other than to members of the JV, or in case of any change affecting the respective rights and obligations or the voting powers of the members of the consortium other than through the members of the JV, the Lessee shall require an advance written consent of the Lessor, whose consent may be withheld in Lessor's sole and absolute discretion and be subject to such conditions as Lessor shall deem appropriate. Any such change without the Lessor's consent shall be treated as a material breach of a term of this Lease.

Lessee shall not voluntarily or by operation of law, (1) mortgage, pledge, hypothecate or encumber this Lease or any interest herein, (2) assign or transfer this Lease or any interest herein, sub-lease the Property or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees and invitees of Lessee accepted) to occupy

or use the Property, or any portion thereof, without first obtaining the written consent of Lessor, whose consent shall not be unreasonably withheld.

Without limiting the other transaction(s) that may constitute or result in an assignment of this Lease, each of the following shall be deemed to be an assignment under this Lease:

- a. the merger or consolidation of Lessee with or into another entity, whether or not Lessee is the surviving entity, except a merger of Lessee into a wholly-owned subsidiary to effect a re-incorporation in another state;
- b. the commencement of liquidation proceedings or the dissolution of Lessee (whether or not in connection with liquidation proceedings);
- c. the conversion or change of Lessee into another type of entity; and
- d. the reorganization or restructuring of Lessee, including, without limitation, by a spin-off or split-off; and
- e. the change in the identity of such number of "controlling persons" as, under the organizational documents of Lessee, is the minimum number of persons required to approve any act involving the management or operation of the business of Lessee.

For the purpose of this Clause the term "controlling persons" means the members or managers of Lessee, or other persons having equivalent control over said approval if another entity, and the term "organizational documents" means the articles of organization or certificate of formation and operating agreement of Lessee or equivalent documents governing Lessee's organization and governance if Lessee is another entity.

13 LICENSES AND TAXES

13.1 LESSOR'S OBLIGATION

The Lessee shall pay at its sole cost and expense any and all taxes including property taxes levied by Federal or Provincial Governments, if applicable.

13.2 LESSEE'S OBLIGATION

The Lessee shall be liable for and shall pay any charges or fees payable under the Registration Act, 1908 and/or the Stamp Act, 1899, and/or the corporate tax throughout the Lease Term, all other license and excise fees and occupation taxes covering the business conducted on the Property.

13.3 INTELLECTUAL PROPERTY

During the Lease Term, Lessee shall have all of right, title and interest in the names "*<insert company name>*", and any variations thereof, trademarks, service marks and applications thereof (collectively, the "Trade name") and all of Lessor's right, title and interest in all intellectual property (other than the Trade name), including all intangibles, copyrights, copyright applications, trade names, trademarks, brand names, software, service marks, customer lists, goodwill, and all licenses, permits, agreements of any kind or nature pursuant to which Lessor possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of Lessor, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics.

14 REPRESENTATIONS AND WARRANTIES

14.1 LESSOR'S REPRESENTATIONS AND WARRANTIES

The Lessor hereby represents and warrants to the Lessee as of the date of this Agreement that:

- (a) it is duly created pursuant to the Railway Act, 1890; is existing and, in so far as it is material to the Lessee, has complied fully with all other applicable Laws of Pakistan, and that there are no proceedings pending against it or to the best of its knowledge, threatened for the dissolution of Lessor including a withdrawal or revocation of its powers under the Railway Act, 1890;
- (b) this Agreement has been duly authorized, executed and delivered by it and constitutes the legal, valid and binding obligation of it;
- (c) this Agreement has the approval of the Pakistan Railways and as far as it is aware, the execution, delivery and performance of this Agreement does not and will not constitute a violation of any statute, judgement, order, decree or regulation or rule of any court, governmental authority or arbitrator of competent jurisdiction or applicable relating to it, its assets or its business;
- (d) it shall comply and abide with the terms and conditions herein;
- (e) the Property is free from all encumbrances including without limitation mortgages, liens, licenses, assignment and any liability prior to this Agreement;
- (f) there is no restriction or prohibition over the Property in respect of the Lessee's Works and business to be conducted on the Property with reference to the Project; and

- (g) the land area, vicinity and boundaries of the Property are as described and marked in **Exhibit A** hereof.

14.2 LESSEE'S REPRESENTATIONS AND WARRANTIES

The Lessee hereby represents and warrants to the Lessor that:

- (a) it is a Company validly existing under the Laws of Pakistan and is in good standing and has all requisite power and authority to conduct its business and to own its properties and that it has the power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
- (b) This Agreement constitutes the legal, valid and binding obligations of the Lessee;
- (c) The Lessee is duly authorized to execute and deliver this Lease. A certified copy of the Corporate Resolution authorizing and consenting to this Lease and the execution thereof is attached in **Exhibit D** hereto;
- (d) The Lessee shall pay the Lessor's Entitlements as provided herein at the times and in the manner mentioned herein;
- (e) The Lessee shall comply and abide with the terms and conditions herein;
- (f) The Lessee shall inform the Lessor in advance of any change in the composition and/or voting powers of the members of the Lessee and the Lessor shall accept such changes except where such changes are detrimental in the sole opinion of the Lessor to its rights under this Agreement; the Lessor's Entitlement as provided herein shall not be affected and remain unchanged due to any change in the composition and/or voting powers of the members of the Lessee; and
- (g) The Lessee shall ensure compliance with all Pakistani Laws including provisions of the Pakistan Engineering Council Act, 1975 (Act of 1976) and Rules made thereunder, by its contractors, sub-contractors or any other persons acting in similar capacity on behalf of the Lessee.

The warranties and representations made by all Parties as set out hereto shall remain true and accurate and fully complied with in all respect and shall continue to subsist for so long as may be necessary for the purpose of giving effect for each and every one of them.

15 LESSOR'S COVENANTS

The Lessor hereby covenants with the Lessee as follows:

- i. that the Lessee, upon fully complying with and promptly performing all of the terms, covenants and conditions of this lease on its part to be performed, and upon the prompt and timely payment of all sums due hereunder, shall have quiet enjoyment rights with respect of the Property for the lease term set forth herein, subject to all provisions of this lease;
- ii. that the Lessor will not at any time after the execution of this Agreement and during the lease term mortgage, charge, assign, transfer, sell, convey, let, sub-let, lease or otherwise deal with the Property or any part thereof;
- iii. that the Lessor shall recognize and give effect to all members of the Club and their rights and interests as members thereof;
- iv. that the Lessor shall not except in case of default by the Lessee, do, perform or omit to do, perform any act or thing which will in any manner undermine the leasehold rights and the rights to erect, reconfigure, procure, construct, finance, develop, operate, manage, maintain and control the Project;
- v. the Lessor shall ensure that access to the Property is not closed temporarily or permanently or restricted in any way during the lease term due to any direct act of the Lessor;
- vi. the Lessor shall support and use all reasonable efforts to expedite the consideration of the Lessee's applications for the consents and the timely issuance thereof by the relevant Public Sector Entity;
- vii. whenever there is reference in this agreement to an act by or obligation of the Lessor, such act or obligation is authorized by and on behalf of the Government of Pakistan:
- viii. that the Lessor has all necessary powers to commercialize the Project and in respect of all other matters, which are the subject of this Agreement and has the right, but not an obligation, to transfer such of those powers to the Lessee as may be required to uphold the terms and obligations of this Agreement; and
- ix. that the Lessor shall not (i) in any way amend or obstruct the design, construction, management or operation of the Project or any part thereof - except as provided for in the Agreement and the reasonable inspection of the Project as specified in this Agreement, (ii) do any act or be party to any intentional act which would cause, or be likely to cause damage to any part of the Project or be otherwise inconsistent with the terms of the Agreement.

16 PERFORMANCE SECURITY

- 16.1 The Lessee has provided and delivered to the Lessor, Performance Security equivalent to quoted Annual rentals as specified in the financial model submitted by the Bidder. The Performance Security shall secure all of the Lessee's obligations, liabilities, payments, liquidated damages, indemnities, representations, guarantees, warranties and responsibilities during the Lease Term.
- 16.2 The Performance Security shall be in the form of an unconditional bank guarantee from a scheduled bank in Pakistan (with a minimum credit rating of at least 'AA-' as rated by JCR VIS or an equivalent rating by PACRA) or a country abroad acceptable to the Lessor in the form specified in **Exhibit F** which shall remain valid till six (6) months from the Expiry Date of the Lease Term. In case the Performance Security is issued by a foreign bank, it shall be counter guaranteed by a scheduled bank in Pakistan.

17 INSURANCE

During the entire Lease Term, the Lessee shall, at its own expense, maintain adequate commercial insurance over the Property and the Club, with a reputable insurance company in accordance with Laws of Pakistan.

18 INDEMNITY

The Lessee shall defend and indemnify and keep the Lessor, its officers, and employees, and hold the Lessor and its officers and employees indemnified and harmless at all times after the date hereof, from any and all losses incurred, suffered, sustained or required to be paid, directly or indirectly, by or sought to be imposed upon, the Lessor and its officers and employees for personal injury or death to persons or damage to Property arising out of the negligent or intentional act or omission of the Lessee in connection with this Agreement.

19 FORCE MAJEURE

19.1 INABILITY TO PERFORM

Neither the Lessor nor the Lessee shall be in breach of its obligations under this Agreement if it is unable to perform its obligations under this Agreement or any part thereof as a result of the occurrence of any Force Majeure acts. Notwithstanding anything contrary contained in this Agreement, payments due under this Agreement from the Lessee to the Lessor shall not be excused due to a Force Majeure Act.

19.2 FORCE MAJEURE ACTS

A "Force Majeure Act" shall mean an act not within the control of the Party affected, which that Party is unable to prevent, avoid or remove and shall include:

- (a) war, hostilities (whether war be declared or not), invasion, act of foreign enemies, rebellion, revolution, insurrection, military or usurped power, civil war, terrorism, civil riots and provincialism;
- (b) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste, from the combustion of nuclear fuel, radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- (c) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speed;
- (d) natural catastrophe including, but not limited to earthquakes, floods, subsidence, lighting or any operation of the forces of nature against which an experienced contractor could not reasonably have been expected to take effective precautions;
- (e) riot and disorders, strike, lockout, labour unrest or other industrial disturbances (affecting the performance of this Agreement) which are not the fault of the Lessee, its contractors, which causes or can reasonably be expected to cause, either party to fail to comply with its obligations hereunder.

19.3 NOTICE

If an act of Force Majeure occurs by reason of which the Lessor or the Lessee is unable to perform its obligations under this Agreement or any part thereof, the Lessor or the Lessee shall immediately inform the other Party in writing of the occurrence of such act of Force Majeure, its consequences and the cessation of such event.

19.4 NON-RELIANCE

Neither Party shall be entitled to rely upon the provisions of Clause 20.2 if both Parties reasonably determine that an act of Force Majeure has not occurred. If either Party does not agree that an act of Force Majeure has occurred then the dispute shall be dealt with in accordance with this Agreement.

19.5 FRUSTRATION

If an act of Force Majeure continues for a period of <____> Days and either party reasonably considers that such act of Force Majeure is widespread throughout the country and of such severity or to be continuing for such a period of time that it effectively frustrates the original intention of this Agreement, then this Agreement may be terminated by either party.

20 DEFAULT BY THE PARTIES AND TERMINATION

20.1 DEFAULT BY THE LESSEE

The occurrence of any one or more of the following events shall constitute a default (each, a "Lessee Event of Default") and breach of this Agreement by the Lessee:

- (a) failure by the Lessee to make any payment of the quoted Upfront Fee and quoted Annual rentals or any other payment due to the Lessor as and when due;
- (b) the Lessee abandons the Property for sixty (60) Days or more at any time during the Lease Term, unless such abandonment is in accordance with the order of any Public Sector Entity or at the advice of the architect/ engineer or other consultants of the Project; and
- (c) the Lessee commits any material breach of the terms and covenants herein which is not remedied within sixty (60) Days after notice by the Lessor to the Lessee, which notice states that a material breach of this Agreement has occurred that could result in termination of the Agreement, identifies the breach in question in reasonable detail and demands remedy thereof.

20.2 LESSOR'S RIGHT TO TERMINATE

The Lessor may terminate this Agreement due to the Lessee Event of Default or Railway Board decides to terminate the lease deed for any reason whatsoever without any further notice. In the event of any other default by the Lessee, the Lessor shall give notice to the Lessee specifying the default and requiring the Lessee to remedy, correct or make good the default within a period of not more than sixty (60) Days from the date of such notice or such other period as may be agreed in writing by the Parties hereto, failing which the Lessor may

terminate this Agreement and thereafter neither party shall have any obligations towards each other under or in relation to this Agreement, except those provided in this Agreement.

20.3 DEFAULT BY THE LESSOR

The occurrence of any one or more of the following events shall constitute a default (each a "Lessor Event of Default") and breach of this Agreement by the Lessor:

The Lessor commits any material breach of any of its obligations under this Agreement, which is not remedied within sixty (60) Days after notice by the Lessee to the Lessor, which notice states that a material breach of this Agreement has occurred that could result in termination of the Agreement, identifies the breach in question in reasonable detail and demands remedy thereof.

20.4 LESSEE'S RIGHT TO TERMINATE

In the event of any such default by the Lessor, the Lessee shall give notice to the Lessor specifying the default and requiring the Lessor to remedy, correct or make good the default within a period of not more than one hundred and eighty (180) Days from the date of such notice, failing which the Lessee may terminate this Agreement and thereafter neither party shall have any obligations toward each other under or in relation to this Agreement except those provided in this Agreement.

21 DISPUTE RESOLUTION

21.1 AMICABLE SETTLEMENT

In the event that any misunderstanding, disagreement or dispute shall arise concerning any aspect of this Agreement, including any dispute touching the validity or the construction, meaning or effect of this Agreement, or the rights or liabilities of the Parties hereunder, or any matter arising out of the same, or connected herewith, the Parties hereby covenant that, in keeping with the cordial relationship of good faith and mutual trust that exists between them, they will exercise earnest efforts and use their best endeavors to resolve any such misunderstanding, disagreement or dispute in an amicable manner so as to eliminate any discord and avoid any conflict.

21.2 ARBITRATION

In the event that such dispute, difference or question cannot be resolved amicably between the Parties, then such dispute may be referred by any party giving a notice in writing to the other party requiring the dispute to be settled by arbitration in accordance with the following clauses:

- (a) The arbitration shall be in accordance with Arbitration Act, 1940. The arbitration proceedings shall be held in Lahore, Pakistan and CEO/Sr. General Manager, Pakistan Railway shall act as sole arbitrator. The Agreement shall be construed in accordance with the Laws of Pakistan including Arbitration Act 1940.
- (b) Any arbitration shall be conducted in the English language. The Party in whose favor the arbitration award is granted shall be entitled to recover costs and expenses of administration of the arbitration proceeding.
- (c) The Parties bind themselves and acknowledge and accept as final in all respects any decision or award of an arbitration.
- (d) The Lessor hereby appoints the Director Legal, Pakistan Railways, Pakistan Railways Headquarter Office, Empress Road, Lahore, Pakistan to receive for and on the Lessor's behalf service of process in relation to any suit, action and other proceeding arising out of or relating to this Lease or any transaction contemplated hereby.
- (e) The Lessee hereby appoints *<insert name & designation of person authorized to received legal notices>*, or such person as informed by the Lessee to receive for and on the Lessee's behalf service of process in relation to any suit, action and other proceeding arising out of or relating to this Lease or any transaction contemplated hereby.

22 EXPIRATION OF LEASE TERM AND TRANSFER UPON EXPIRY

22.1 TRANSFER UPON EXPIRY OF LEASE TERM

a. Inspection

Not less than [•] ([•]) months nor more than [•] ([•]) months prior to the Expiry Date, the Lessee and the Lessor's Representative shall conduct a joint inspection (the "Final Inspection") of the Project Facility including all Structures forming part of the Project. If no date for the final inspection has been agreed between the Lessee and the Lessor's Representative, the Lessor's Representative may initiate the Final Inspection during such period by giving at least [•] ([•]) Days' notice to that effect to the Lessee and such inspection shall be conducted on the date specified in such notice. The cost of such Final Inspection shall be borne by the Lessee.

Lessee shall prepare a report on final inspection comprising of list of Project Facilities and other contents as deemed necessary and submit the same to Oversee Management Committee for approval.

Lessor may, by notice to Lessee given not later than ninety (90) Days prior to the Expiry Date (except in the event of a termination of this Lease prior to the scheduled Expiry Date, in which event no advance notice shall be required), require Lessee at Lessee's expense to repair any damage caused to the Property.

At the expiration of the Lease Term or early termination due to default of the Lessee, the Lessee shall return possession of the Property to the Lessor together with all fixtures and fittings, appliances, equipment and any and all other improvements to the Property on "as is where is basis", in accordance with the inspection report, whereupon the Lessor shall assume all assets of the Club and the Property from that date onwards and the Lessee's interest hereunder shall cease with immediate effect.

b. Settlement of Payables and Receivables

At the expiry of the Lease Term or early termination of the Agreement, if there is an existing financial liability owed against the Lessee in respect of the Property or the Project, the same shall be settled by the Lessee. The Lessee shall be entitled to all receivables of the Project, outstanding at the time of termination of the Lease Term and shall be liable to all the liabilities of the Project so that the Project is handed over to the Lessor without any liability related to the Project.

23 MUTUAL UNDERTAKINGS

Each of the Parties hereto undertakes with the other to:

- (a) faithfully perform and diligently discharge its obligations under this Agreement;
- (b) take all necessary measures on its part to give legal effect and business efficacy to the provisions of this Agreement; and
- (c) if and when and to the extent requested so to do, sign, execute and perform such further acts, deeds, documents, instruments and things as may be reasonably required for the purpose of giving full effect to the provisions hereof and carrying out the objective of this Agreement.

24 NOTICES

- (a) A notice, consent, approval or request or other communication under this Agreement must be signed by or on behalf of the Party giving it, addressed to the party to whom it is to be given and delivered, sent by prepaid mail or transmitted by electronic mail to that Party's address stated herein or such other address that the Party may from time to time give notice to the other Party:

For Lessor:

Attention	
Address	

For Lessee:

Attention	
Address	

- (b) A communication given to a Party in accordance with this Clause 25 is treated as having been given and received:
- i. If delivered to that Party's address - on the day of delivery on a Business Day, otherwise on the next Business Day;
 - ii. If sent by prepaid mail, on the tenth Business Day after posting; or
 - iii. If transmitted by email to that Party's address and a correct and completed transmission report is received - on the day of transmission if a Business Day, otherwise on the next Business Day.

25 SUCCESSORS OR ASSIGNS

All the terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon the Lessor, Lessee and their respective heirs, administrators, executors, successors and permitted assigns.

26 PARTIAL INVALIDITY

If any term, covenant, or condition of this Lease or the application thereof to any person or circumstance is, to any extent is held to be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

27 PLATS AND RIDERS

Clauses, Plats, Riders, Exhibits and Addendums, if any, affixed to this Lease are incorporated herein and made a part hereof.

28 WAIVER

- (a) The waiver by the Lessor of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of the Upfront Fee/Premium or any other adjustment or sum hereunder by the Lessor shall not be deemed to be a waiver of any preceding default by the Lessee of any term, covenant or condition of this Lease other than the failure of

the Lessee to pay the particular sum so accepted, regardless of the Lessor's knowledge of such preceding default at the time of the acceptance of such sum.

- (b) Failure by either Party to enforce, at any time, any provision of this Agreement shall not be construed as a waiver of its right to enforce the breach of such provision or any other provision in this Agreement or as a waiver of any continuing, succeeding or subsequent breach of any provision or other provision of this Agreement.

29 TIME

Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

30 LATE CHARGES

If any payment of annual rental is not received by the Lessor on or before the date such sum is due in this Agreement, the Lessee shall pay to the Lessor a late charge equal to twelve percent (12.0%) per annum of the amount due. Any such late charges shall be due as additional rent with the next half yearly payment due under this Agreement. It is, however, clarified that Lessor shall terminate the lease agreement if lessee fails to pay annual rentals after 03 months from due date of payment.

31 CHOICE OF LAW AND JURISDICTION

- (a) This Agreement shall be governed by and construed in accordance with the Laws of Pakistan. The Courts of Pakistan at Lahore shall have the exclusive jurisdiction.
- (b) No court proceedings or action or suit of any kind shall be commenced in the courts unless and until the Parties have complied with the provisions of Clause 22 hereof and the Parties shall be entitled to apply for a stay of such proceedings in the event that this provision is not complied with.

32 VARIATION

- (a) No provisions of this Agreement may be voided, amended, waived, discharged, absolved, or terminated orally nor may any default, breach or omission of any provision of this Agreement be waived or condoned orally.

- (b) Any alteration amendment to or variation in this Agreement, whether in whole or part at any time shall only be effective by an agreement in writing signed by the proper authorized representative of the Parties hereto or their successors in interest.

33 NO PARTNERSHIP

Nothing contained in this Agreement shall constitute or to be deemed to constitute a partnership between the Parties hereto and neither of the Parties hereto shall be liable to each other for any act, wrong doing, breach or omission of each other.

34 MUTUAL TRUST

In entering this Agreement, the Parties hereto recognize that it is impracticable to make provision for every contingency that may arise in the course of the performance hereof and accordingly the Parties hereto declare it to be their intention that this Agreement shall operate between them with fairness and without detriment to either of them. If by reason of any unforeseen occurrence or development the operation of this Lease is likely to cause any inequitable hardship to any of the Parties hereto not within the spirit of the Agreement, the Parties hereto shall negotiate immediately in good faith and use their best endeavor to agree upon such action as may be necessary or equitable to remove the cause or causes of the same.

35 LANGUAGE

All communication between the Parties shall be conducted in the English language and all notices, if in any other language, shall be accompanied by a duly certified translation in English. In the event of a conflict between the English text and the text in any other language, English text shall prevail.

36 CONFIDENTIALITY

The Lessee, its Sub-consultants, and the Personnel of either of them shall not, either during the term or after the expiration of this Agreement, disclose any proprietary or confidential information relating to the Project, the Services, this Agreement, or the Lessor's business or operations without the prior written consent of the Lessor.

The Agreement and all matters pertaining hereto shall be considered a confidential matter and shall not be disclosed to any third party without prior mutual agreement. (Save as required by law or appropriate regulatory authorities or to prospective Lenders or Investors or Professional Advisers of the Parties hereto).

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives or officers as of the date first written above.

SIGNED, SEALED AND DELIVERED BY THE PRESIDENT OF ISLAMIC REPUBLIC OF PAKISTAN FOR AND ON BEHALF OF THE ISLAMIC REPUBLIC OF PAKISTAN, through Pakistan Railways, The Ministry of Railways, Railways Division, Government of Pakistan on behalf of Government of the Islamic Republic of Pakistan.

SIGNED, SEALED AND DELIVERED For & On behalf of the Lessee by

Signature _____

Signature _____

Name:

Name:

Designation:

Designation:

In presence of:

Witness I

Witness I

Name:

Name:

CNIC:

CNIC:

Designation:

Designation:

Witness II

Witness II

Name:

Name:

CNIC:

CNIC:

Designation:

Designation:

37 EXHIBIT A - PROPERTY AND ITS DESCRIPTION

EXHIBIT A

(PROPERTY AND ITS DESCRIPTION)

(which is to be taken and construed as an essential part of this Agreement)

(The content below is indicative and is to be replaced pursuant to clause 1.4 (a) of this Agreement)



38 EXHIBIT B – EXISTING CLUB FACILITIES

EXHIBIT B (EXISTING CLUB FACILITIES)

(which is to be taken and construed as an essential part of this Agreement)
(The content below is indicative and is to be replaced pursuant to clause 1.4 (a) of this Agreement)

1. Main Clubhouse Building

- 1.1 Swimming Pool
- 1.2 Squash Court
- 1.3 Badminton Court
- 1.4 Dressing Room
- 1.5 Cheese Room
- 1.6 Canteen
- 1.7 Restaurant

2. Open Car park

39 EXHIBIT C – QUOTED PREMIUM PAYMENT SCHEDULE

EXHIBIT C

(QUOTED PREMIUM PAYMENT SCHEDULE)

(which is to be taken and construed as an essential part of this Agreement)

40 EXHIBIT D - CORPORATE RESOLUTION OF CONTRACT

EXHIBIT D (CORPORATE RESOLUTION OF CONTRACT)

(which is to be taken and construed as an essential part of this Agreement)
[ON THE LETTER HEAD OF COMPANY]

RESOLUTION PASSED IN THE MEETING OF THE BOARD OF DIRECTORS OF-----
HELD ON

PRESENT: Resolution No.

- 1.
- 2.
- 3.
- 4.

RESOLVED that the Company shall sign the Lease Agreement (this "Agreement") dated with Pakistan Railways (hereinafter referred to as "PR") for the re-designing, re-configuring, constructing, extending, developing, financing, managing, operating, maintaining, possessing and controlling the Club, new additions, and any other facilities as deemed necessary and agreed in writing by the Parties after the entry into force of this Agreement (the "Project").

It is further RESOLVED that Mr. _____ and _____ is/are hereby authorised to sign singly/jointly any documents or documentation related to the Project and ensure that the above mentioned directors of the Company shall fully support and ensure that the Company shall perform and honor all obligations and commitments under this Agreement and do all acts and things necessary incidental thereto and undertake to fulfil any other legal requirements in connection with the aforementioned Project and undertake that no acts of the Company shall in any way expose PR to any financial or any other obligations from the Project and that PR is indemnified from any and all acts of the Company.

Certified true copy

Secretary/Chairman

40.1 BOARD RESOLUTION

(Company Name)

DIRECTORS' CIRCULAR RESOLUTION IN WRITING MADE PURSUANT TO ARTICLE ___ OF THE ARTICLES OF ASSOCIATION OF THE COMPANY.

Resolved that the Company shall sign the Lease Agreement (this "Agreement") with Pakistan Railways (hereinafter referred to as "PR") for the repair, renovation, replacement, construction, extending, developing, financing, managing, operating, maintaining, possessing and controlling the Club, new additions, and any other facilities as deemed necessary and agreed in writing by the Parties after the entry into force of this Agreement (the "Project").

It is further resolved that any one (1) director be and is hereby authorized to sign singly/jointly any documents or documentation related to the Project and ensure that the above-mentioned directors of the Company shall fulfil the terms and conditions of the Agreement and do all acts and things necessary, incidental thereto and undertake to fulfil any other legal requirements in connection with the aforementioned Project.

Directors: -

<name>

<place>

<date>

41 EXHIBIT E - PERFORMANCE SECURITY

**EXHIBIT F
(PERFORMANCE SECURITY)**

(which is to be taken and construed as an essential part of this Agreement)

Upon the execution hereof, the Lessee shall provide the Lessor an unconditional and irrevocable Performance Security for the sum of Rupees _____ (PKR _____ /-) in the format indicated below and which shall be held by the Lessor as security for the faithful performance by the Lessee during the Lease Term and shall be returned upon a written request by the Lessee to the Lessor as per terms and conditions contained in this Agreement.

41.1 Form of Performance Security

Guarantee No. _____
Executed on _____

(Letter by the Guarantor to the Lessor)

Name of Guarantor (Scheduled Bank in Pakistan) with address: _____

Name of Principal (Contractor) with address: _____

Penal Sum of Security (express in words and figures) _____

Letter of Acceptance No. _____ Dated _____

KNOW ALL MEN BY THESE PRESENT, that in pursuance of the terms of the Bidding Documents and above said Letter of Acceptance (hereinafter called the Documents) and at the request of the said Principal we, the Guarantor above named, are held and firmly bound unto the _____ (hereinafter called the Lessor) in the penal sum of the amount stated above, for the payment of which sum well and truly to be made to the said Lessor, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that whereas the Principal has accepted the Lessor's above said Letter of Acceptance for _____ (Name of Contract) for the _____ (Name of Project).

NOW THEREFORE, if the Principal (Contractor) shall well and truly perform and fulfill all the undertakings, covenants, terms and conditions of the said Documents during the original terms of the said Documents and any extensions thereof that may be granted by the Lessor, with or without notice to the Guarantor, which notice is, hereby, waived and shall also well and truly perform and fulfill all the undertakings, covenants, terms and conditions of the Contract and of any and all modifications of the said Documents that may hereafter be made, notice of which modifications to the Guarantor being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue till all requirements of < - >, Remedying Defects, Conditions of Contract are fulfilled.

Our total liability under this Guarantee is limited to the sum stated above and it is a condition of any liability attaching to us under this Guarantee that the claim for payment in writing shall be received by us within the validity period of this Guarantee, failing which we shall be discharged of our liability, if any, under this Guarantee.

We, _____ (the Guarantor), waiving all objections and defenses under the Contract, do hereby irrevocably and independently guarantee to pay to the Lessor without delay upon the Lessor's first written demand without cavil or arguments and without requiring the Lessor to prove or to show grounds or reasons for such demand any sum or sums up to the amount stated above, against the Lessor's written declaration that the Principal has refused or failed to perform the obligations under the Contract, for which payment will be effected by the Guarantor to Lessor's designated Bank & Account Number.

PROVIDED ALSO THAT the Lessor shall be the sole and final judge for deciding whether the Principal (Contractor) has duly performed his obligations under the Contract or has defaulted in fulfilling said obligations and the Guarantor shall pay without objection any sum or sums up to the amount stated above upon first written demand from the Lessor forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above bounded Guarantor has executed this Instrument under its seal on the date indicated above, the name and corporate seal of the Guarantor being hereto affixed and these present duly signed by its undersigned representative, pursuant to authority of its governing body.

Guarantor (Bank)

Witness:

1. _____

Corporate Secretary (Seal)

2. _____

(Name, Title & Address)

1. Signature _____

2. Name _____

3. Title _____

Corporate Guarantor (Seal)

42 EXHIBIT F – BID SUBMITTED BY THE SPONSOR/LESSEE