

**Investment Contract of the Joint Development of Land Adjacent  
to or Contiguous with Taipei Rapid Transit Systems**  
(Revised and announced on August 11, 2006)

This Contract, made on \_\_\_\_\_ (year/month/day) by and between the \_\_\_\_\_, Taipei City Government (hereinafter referred to as Party A) and (hereinafter referred to as Party B) for the development of Mass Rapid Transit Systems \_\_\_\_\_ Line \_\_\_\_\_ Station \_\_\_\_\_ Base. Both parties hereby agree to perform the terms and conditions set forth as follows:

**Article 1 Purpose of Contract**

Pursuant to Article 7 of the Mass Rapid Transit Law and Regulations for the Joint Development of Land Adjacent to or Contiguous with Rapid Transit System (hereinafter referred to as Land Development Regulations), and Party B in accordance with this Contract shall invest in the construction of this development project.

**Article 2 Location of Land**

This development site covers \_\_\_\_\_ plots of lands located at Lot Number \_\_\_\_\_, Subsection, \_\_\_\_\_ Section, \_\_\_\_\_ District (City, Town, Hsiang), \_\_\_\_\_ City (County), a total area of \_\_\_\_\_ square meter(s). Attachment 1 lists the land location, area and the scope of ownership for each landowner. The measurement held by the land administration office is the basis of actual area.

**Article 3 Ways of Development**

1. Party B shall invest capital to develop the land improvement (hereinafter referred to as this construction) on this site according to the land development plan approved by Party A (refer to Attachment 2).
2. The number of floors and total floor area recorded in the construction permit are the basis for this construction.

**Article 4 Construction Cost**

Party B shall bear the payment of the following construction costs:

1. The relevant expenses for design, construction (including insurance, work management) and boundary verification of this construction that in essence are to be handled by Party B.
2. In the case that the mass rapid transit facilities were constructed by the Department of Rapid Transit Systems beforehand, Party A, in order to carry out this development project, has paid in advance or approved additional basic design fees as needed by this development project, detail design fees for the integrated structure construction, construction fees and other payments, of a total of New Taiwanese Dollars            only. Party B has to settle the aforementioned payment within the deadline notified by Party A. The same applies to the outstanding amount or the amount that has been approved by Party A.
3. In the case that because the relevant competent authority of public facilities for this site is unable to compile the construction cost of acquiring the floor area of the public facilities into the budget in a timely manner and thus Party B is unable to make the said payment, interest calculated at the Central Bank's temporary accommodation interest rate, from the day of receiving the occupancy permit to the day of payment must be added to the payment at the time of payment.
4. Other construction costs or necessary expenses that are jointly agreed by Party A, Party B and the landowners to be included into this construction.

#### Article 5 Rights and Obligations

1. Party B and the landowners shall decide their rights and obligations allocation among themselves without affecting the rights and obligations of Party A and the competent authorities of the public facilities.
2. In the case that Party A, Party B and the landowners allocate their rights and obligations for this construction in the manner of separate ownership, then, Party A, Party B and the landowners shall first calculate the value that they may receive according to the agreed allocation ratio and the value for each floor unit. After that, each party shall select the unit and area of this construction and make an agreement or allocation record of their selections. The ratio of floor area actually received to total floor area for the whole building (including the area for mass rapid transit's facilities) is used to determine the individual share of joint ownership of land for this development project.

3. In the case that Party A, Party B and the landowners allocate their rights and obligations for this construction in the manner of shareholding, then, the percentages of shares held by Party A, Party B and the landowners are calculated as the value received by each individual to the total value of this building and its land (excluding the value for mass rapid transit's facilities).
4. At the time of making building registration, if there is an area discrepancy of the construction area due to a difference in the measuring method of the competent land administration authority and the regulations of the competent construction authority, all parties will not make any refund or supplement to one another for the over- or under-allocations.
5. After signing this Contract, with regard to the terms of cooperation, percentage of income distribution and the other relevant rights and obligations for this construction and its land, Party B shall handle those matters according to the agreement signed with the landowners. In the case that both parties do not have any agreement and cannot reach an agreement, they may ask Party A to become the coordinator. If both parties still cannot reach an agreement after two coordinating meetings, Party B shall present the consensus of landowners with regard to the allocation of rights and obligations for arbitration within thirty days after the coordinating meetings. The decisions of the arbitration organization shall be used to handle the matters. If the landowners disagree with presenting the case for arbitration, then Party B may file an application for Party A to handle the matters according to the Contract of the Joint Development of Land Adjacent to or Contiguous with Taipei Rapid Transit Systems signed by the landowners (hereinafter referred to as the Joint Land Development Contract).

#### Article 6 Designs, Construction Supervision, and Application for Construction Permit

1. Within thirty days of signing this Contract, Party B shall present the qualification documents of the architect to Party A for review.
2. Prior to the application of construction permit, if the presented drawings of detail design, or the project budget have been altered, Party B shall present the revised versions to Party A again. After the construction permit is issued, Party B may not alter the project budget using the reasons of fluctuations in wages or prices of materials.

3. The design and development of this construction must meet the relevant regulations of building and urban planning.
4. With regard to the detail design of this construction, if the integrated structure construction or facilities of the mass rapid transit system need to be altered, the approval of landowners of more than two-thirds of the base area, or more than half of the land area and the number of landowners must be received. The alteration is presented to Party A for an approval.
5. In order to execute the design and construction supervision of this construction, Party B shall appoint and entrust an architect to take full responsibility of construction supervision.
6. Party B shall entrust an architect to be legally responsible for the design and construction supervision of architecture, structural and facilities works of this construction, and conduct the following:
  - (a) Quality examination and various inspections of project and materials, review of experimental reports.
  - (b) Work progress supervision and control.
  - (c) Guidance related to guarantee during the warranty period, jointly identify the warranty responsibility and participate in examination at the expiration of the warranty period.
  - (d) Be responsible for coordinating and cooperating with various project contractors, and periodically hold construction site coordination meetings after the start of design works until the completion of this construction.
- (7) Within six months after the day signing this Contract, Party B shall, in accordance with the regulations of construction laws, file an application for a construction permit, and within 30 days prior to that application, Party B shall present the qualification documents of the constructing company, water-pipe contractor, electricity contractor, refrigerating and air conditioning contractor to Party A for review. In the event that the other relevant laws and regulations stipulate that the documents and drawings related to the application for construction permit have to be presented for review beforehand, the time for such can be excluded. Whenever the content of the construction permit is altered, an explanation for the said alteration must be given to the landowners in advance and presented to Party A for approval, after that, alterations shall be handled according to construction laws and regulations. Except for causes that are attributable to Party B, the deadline for filing the construction permit application can be altered in the case that Party B has made an application

or Party A, in consideration of the actual conditions, has approved the adjustment.

- (8) After receiving the construction permit, Party B shall make two duplicated copies of the said permit and give them to Party A.
- (9) Whenever there is a change of the professional manager or company of the entrusted architect, constructing company or cooperator of operation management, Party B shall request approval from Party A prior to making the alteration. Party B shall be liable for all expenses that arise from making the alterations.
- (10) With regard to the part of this construction that belongs to Party B, whenever Party B wants to appoint a new proprietor or change proprietor in the middle of construction, Party B must request written approval from Party A in advance. Party B shall be liable for all expenses and taxes that arise from making the alterations. The new proprietor, within the scope of the succeeded rights and obligations, shall bear the contract performance obligation jointly and severally with Party B.
- (11) The sample construction and the design of the narration, text, drawings or pictures in the contents of advertisement and all promotional material made by Party B shall be presented to Party A for review.

#### Article 7 Insurance

1. Party B shall purchase the following construction insurance coverage and for the insured amounts:
  - (a) All Risks Insurance for Construction Project:

Party B shall purchase this insurance policy with both Party A and Party B named as the co-insured, the insured amount shall exceed the total price of this development project, and the maximum deductible allowed for each claim shall not exceed twenty percent of the loss for the said claim.
  - (b) Third-Party Accident and Liability Insurance for Construction Project:

Party B shall purchase this insurance policy with Party A, Party B, Party A's and Party B's employees and appointees, the collaboration companies and its employees named as the co-insured. This insurance is to protect against compensation liability owed by the Insured in causing injury, death, and property damage to a third party during the course of performing this Contract. The insured amount for a bodily injury or death to any person shall not be less than New Taiwan

Dollars 1.5 million. The insured amount for a bodily injury or death for any one accident shall not less than New Taiwan Dollars 15 million. The insured amount for property damage for any one accident shall be not less than New Taiwan Dollars 10 million. The deductible for each claim shall not exceed twenty percent of the loss for the said claim.

(c) The insured amount for the liability insurance of collapse or damage to neighboring houses shall be not less than New Taiwanese Dollars 80 million. The deductible shall not exceed five percent of the total loss.

(d) Other insurance policies as agreed by both parties.

2. In accordance with the preceding Paragraph, Party B shall purchase and pay the insurance premium for the aforementioned insurance policies on its own. In the event of losses, Party B in addition to restoring the damaged building immediately shall be responsible for paying the deductible of the insurance policies as stated in the preceding Paragraph, and losses below the deductible, losses above the insurance coverage, or the additional insurance premium that must be paid for the reinstatement of the insurance policy for the insured subject that was damaged or lost.
3. The insurance period for insurance policies in Paragraph 1 and purchased by Party B shall be from the day that Party B has completely taken over the management of this construction site to thirty days after an ownership certificate is issued for this building and the building is transferred to its owner. Party B shall be personally responsible for the insurance premium for renewing the insurance policy or increasing the amount insured when the insurance policy expires before the end of the aforementioned insurance period or when the occurrence of an insurance contingency has caused the payment of benefits to reach the amount insured as stated in the Subparagraph 1 to Subparagraph 3 of Paragraph 1. Party B shall also give notification to Party A.
4. In the case that Party B fails to obtain insurance, renew coverage or increase coverage as required in the preceding three Paragraphs, Party B shall be liable for compensation when an accident has occurred and has caused Party A or a third party to incur damages.
5. Party B shall purchase the insurance policies stipulated in Paragraph 1 from an insurance company established in the territory of the Republic of China and approved by the Ministry of Finance. The insurance policy shall clearly indicate that without the approval of Party A, coverage reduction or withdrawal of this insurance policy is not allowed.

## Article 8 Construction

1. After receiving the construction permit, Party B in accordance with the Article 1, Subparagraph 3 of the Agreement of Joint Land Development signed between Party A and the landowners; shall notify the landowners to remove articles on the site of construction and hand over the land for construction ten days before the expected commencement of construction. Party A may hand over the articles on this construction site to Party B for clearing on its behalf. Party B may request Party A to execute the Agreement of Joint Land Development signed between Party A and the landowners so as to assist in clearing articles on the construction site and hand over the land.
2. Within 180 days after receiving the construction permit, Party B shall report commencement of construction to the competent authority of construction. The approval documents issued by the competent authority of construction shall be given to Party A. Party B also shall compile monthly construction reports and work quality examination reports to be presented to Party A.
3. Within ten days before the commencement of construction, Party B shall deliver to Party A the relevant information of construction personnel and personnel in relation to business consultation matters, and the relevant information of construction safety that in accordance to laws and regulations has been reviewed by the local labor inspection organization. The procedures of reporting emergency and accident for this construction site are also included as a basis for Party B to follow in the case of an occurrence of emergency or accident.
4. Party B shall commence construction after Party A has approved the submitted construction progress schedule and construction plan compiled by Party B.
5. The construction plan shall be illustrated with construction operation network diagram and flowchart, instruction, and chart. The construction plan shall at least include the construction progress schedule, construction procedures, construction methods, construction site layout, manpower planning, list of machines and tools and time of use, date of material sample delivery and material arrival at construction site, stages of examination, completion dates and other instructions of the plan that relate to administrative operation.
6. Party B shall use machines and tools according to the relevant laws and

regulations for construction.

7. Party A may send personnel to inspect the construction site at any time and Party B shall give cooperation. With regard to any improvements requested by Party A, Party B shall cooperate fully. In the case that Party B does not carry out the request and Party A has sent a written notification to Party B urging Party B to make improvement within a prescribed period, if Party B still does not make improvement after the deadline, Party A may personally carry out the improvement and Party B shall be liable for all expenses incurred.
8. Party B shall carry out construction according to the construction drawings. In the event of any improper construction or material being used, regardless of whether the construction is completed, the building shall be dismantled immediately for reconstruction or improvement shall be carried out for the said building. If such an incident has caused losses to other constructions, Party B shall be liable for the compensation of the said losses or the restoration to its original condition.
9. Due to the need of mass rapid transit construction, Party A may make a request to alter the design and drawings of this construction, construction plan and anticipated progress, Party B shall provide cooperation in the construction. The change of construction may lengthen or shorten the deadline of construction, of which Party A will determine the number of days for the shortening or extension, whereas Party B shall handle the required applications and procedures according to laws.
10. Party B shall conduct the construction according to the Labor Safety and Health Law and other relevant regulations. Party B shall follow the instructions of Party A to improve any inappropriateness and be fully liable for any losses that arise from the violation of this stipulation.
11. During the period of construction, Party B shall observe the relevant regulations of mass rapid transit system operation management. Party B shall not cause clamor, noise, lights offending to eyes, smoke, and piling up waste and dirt at the exit of the mass rapid transit system, which will affect the normal construction and operation of the mass rapid transit system. Party B shall be fully liable for any damage and expense that has arisen from the violation of this agreement.
12. During the period of construction, Party B shall be responsible to clear up or restore any pollution or damage caused to the neighboring area and buildings; and also shall be liable for the expenses and other compensation for damages.

13. In accordance with the notification of Party A and the Directions of Handing Over Joint Space Development of Taipei Rapid Transit Systems Integrated Structure Construction, Party B shall give cooperation in the handover of joint space development of integrated structure construction and refusal is not allowed. Starting from the day of taking over this construction site, Party B shall bear all management and safety responsibility and may not affect the facilities and operations of mass rapid transit. In the case that the conduct of Party B has caused the construction itself or Party A or a third party to suffer damages in their lives, bodies, properties or other rights (including national compensation obligations or other obligations that Party A must provide to third parties), Party B shall bear all civil and criminal responsibility.
14. Party B, in carrying out this construction, must truly comply with the laws and this Contract and shall not claim to reduce its responsibility whether or not Party A has inspected the construction process.

#### Article 9 Time for Completion

1. Party B shall complete this construction project and acquire the occupancy permit within                      calendar days (including Saturdays, Sundays, national holidays and other days of rest) after the construction commencement date approved by the competent authority of construction. Within six months after receiving the occupancy permit, Party B shall have the as-built drawing, list of facilities, management rules or management agreement ready for the complete handover of this construction. However, if the construction has an alteration made by Party A according to the stipulation in Subparagraph 9 of the preceding Paragraph, the time for completion may be extended or shortened according to the total days approved.
2. In the event of the time for completion being delayed due to force majeure or other reasonable causes, Party B shall submit a written explanation of causes to Party A and request an extension of the construction time within fourteen days after the occurrence of the incident. Taking the circumstances into consideration, Party A shall determine the days of extension.

#### Article 10 Registration of Ownership

1. Party B shall responsible for the ownership registration of this building and its land, the land administration agent, designated jointly by Party A and Party B, shall handle the registration of combination in land, registration of change in land's ownership, first survey and registration of building's ownership and application for house tax serial number. Party B and the landowners shall jointly decide the schedule for the aforementioned transactions. The following regulations are used in the case that both parties have not decided the schedules:
  - (a) Registration of combination in land shall be made at the completion of the floor area for the first floor.
  - (b) Registration of change in land's ownership, the first survey, and registration of building's ownership and application for house tax serial number shall be made within ten days after receiving the building's occupancy permit.
2. In the case that Party B has delayed the time or procedure of handling the transactions stipulated in the preceding Paragraph, and caused Party A, the landowners or the building owners to suffer damages as a result, Party B shall liable for damage compensation. However, Party B shall not be liable for such damage compensation if the delay is due to the landowners and building owners not submitting documents required for application of ownership registration within ten days after receiving the written notification from the land administration agent.
3. With regard to ownership registration of non city-government-owned or non-public land within this development land, Party B shall responsible to handle the transactions according to the regulations of the preceding two Paragraphs. Party A in accordance with this Contract shall provide assistance and coordination in the process.

#### Article 11 Tax Burden

Unless otherwise agreed among the parties involved and between the parties involved and the landowners, the relevant taxes shall be handled according to the following provisions:

- (a) Land value increment tax: taxpayer stipulated in Article 5 of Land Tax Law shall pay the tax.
- (b) Land value tax: the land title owner or the dien right holder of a land property registered on the land registry on the base day of tax payment shall pay the tax.

- (c) Charges on benefits of public construction: The original owner shall pay charges on benefits that occur prior to the completion of registration of change in land's ownership, the new owner shall pay for the benefits that occur after the registration of change is completed.
- (d) House tax: the original owner shall pay the house tax on the original building on the construction site. The person whose name is on the building registration shall personally pay the respective house tax for building constructed in this development.
- (e) In accordance to the percentage of land and building that will be received, each owner shall respectively pay the fees for registration of combination in land, registration of change in land's ownership, the first survey and registration of building's ownership, remuneration for land administration agent, stamp duty and notary fees.
- (f) The person who will receive the building shall pay the deed tax and business tax that arise from the joint construction and exchange, with a deduction of the amount of business tax paid in the construction expenses.
- (g) The applicant of change order shall personally pay the taxes and fees of changing the proprietor.
- (h) The obligee of land and building shall respectively pay for all taxes, fees, and escrow fees that arise from the sales and purchase, gift and inheritance.
- (i) Starting from the day of complete handover of the building, the persons that receive the building shall respectively pay the public utility bills and building management fees.
- (j) Each proprietor in accordance with the provisions of Regulations on Apartment Building Management shall make payment to the public fund of this building.

#### Article 12 Performance Bond

1. Party B shall at the time of signing this Contract deposit with Party A the performance bond of New Taiwanese Dollars only. Except for the case of paying the performance bond with the application deposit, Party B may deposit the deficiency and the performance bond in more than one of the following forms at the time of signing the contract:
  - (a) Cash
  - (b) Financial institution's promissory note or check

- (c) Financial institution's certified check
- (d) Bearer's government bond
- (e) Financial institution's certificate of deposit pledged to the procuring entity
- (f) Bank's written joint and several guarantee
- (g) Insurer's insurance policy of joint and several guarantee

Where a performance bond is deposited in the form of a financial institution's promissory note, check, or certified check, such instruments shall be made payable at sight and the Taipei Rapid Transit Systems Land Development Special Fund Account shall be the payee. Where a performance bond is deposited in the form of a financial institution's pledged certificate of deposit, bank's written joint and several guarantee, insurer's insurance policy of joint and several guarantee, and as the case may be the Department of Rapid Transit Systems, Taipei City Government shall be named as the pledgee, beneficiary, guarantee beneficiary or the insured. Attachment 6 of this Contract lists the requirements of the forms.

2. The performance bond shall be deposited in the name of Party B or the collaborators. Where the performance bond is deposited in the name of the collaborators, a letter of collateral provision that meets the requirements stated in Attachment 6 of this Contract shall be provided.
3. Upon the completion of fifty percent of this construction, Party A shall refund to Party B half of the deposited performance bond without interest. After the entire construction has received occupancy permits, twenty-five percent of the originally deposited performance bond shall be refunded without interest. The remaining performance bond shall be refunded without interest within ten days after the registration of real property is complete and the building is handed over to its owners. Party A shall notify and refund the performance bond to the nominal payer of performance bond.
4. In any other circumstances that are attributable to Party B, which result to the suspension of work in progress, a breach of or refusal to execute this Contract, Party A may confiscate the performance bond directly and Party B shall not have any objections.

#### Article 13 Warranty and Warranty Bond

1. Starting from the day of handover the building, Party B shall responsible

to provide guarantee for the part of building that Party B has constructed. The period of warranty is prescribed as follows:

- (a) The warranty period for the repair and maintenance, mechanical and electrical, roofs and other parts of this building, except that stated in the Sub-paragraph 2 of this Paragraph is one year.
- (b) The warranty period for any major renovation of the building structure or work of equivalent is five years.

With regard to the concealed part of this building construction, Party B still have to take full responsibility if an investigation finds that the emergence of a safety problem is due to Party B's jerry-building or improper construction, even after the expiration of warranty period.

2. Within seven days after handover of the building, Party B shall deposit with Party A, a warranty bond calculated according to the formula stated in Paragraph 4. Party A may directly substitute the remaining performance bond for the warranty bond if Party B does not make the deposit before deadline and the deficiency shall be made up within a period notified by Party A. Party A shall handle according to Paragraph 1, Article 15 of this Contract if Party B does not deposit the warranty bond before deadline. Party B shall make an application for the refund of the said bond one year after the date of payment and Party A shall refund to Party B fifty percent of the warranty bond without interest after joint investigation with Party B that the warranty condition is normal. The remaining warranty bond shall be refunded without interest to Party B at the end of the five year warranty period.
3. Where there is damage of the building structure and accessory facilities during the warranty period, Party B is responsible to repair or make an exchange without charge, but not including damage that is caused by the circumstances of force majeure or that is attributable to the user. In the event of the aforementioned defect or repair work damaging the rights and interests of Party A and the third party, Party B shall complete the repair work within a time limit notified by Party A or be liable for damage compensation. Whenever there is a need of emergency repair, Party A without notifying Party B may carry out the repair work or find another contractor to perform the repair. Party A shall pay the cost of repair with warranty bond or pay in advance for Party B. Party B shall return to Party A the amount paid in advance within ten days after receiving notification from Party A.

4. The warranty bond is calculated at 3 percent of the cost of the construction listed in the occupancy permit.
5. The warranty bond is deposited in the manner similar to that of the performance bond.
6. This agreement shall not affect the guarantee against defects and other rights that Party A may claim according to Civil Law or other laws and regulations.

#### Article 14 Management and Supervision

1. In the case that Party B, entirely or partially leases, acquires the superficies, or with other means, has uniformly managed this building, Party B, after the approval of investment application, shall submit the operation management articles amended according to the legal conditions for authorizing investors to the executive agency. The said articles are then presented to the competent authority by the executive agency for approval. Prior to ownership registration, Party B together with the operator shall sign an Operation Contract of the Joint Development of Land Adjacent to or Contiguous with Taipei Rapid Transit Systems (hereinafter referred to as the Operation Contract) with the executive agency, and hence is under the supervision and management of the executive agency according to Regulations of Land Development.

In the case that this building does not adopt uniform management, Party B may refer to the Codes of Management of Apartment by the Department of the Interior.

2. Party B, when taking over this building for uniform management, shall submit the operation and management qualification documents of the operator to Party A for review before applying for the occupancy permit.
3. Party A shall appoint an executive agency to be in charge of the operation and management of the areas used by the rapid transit system and owned by Party A. The respective relevant competent authority shall personally be responsible for the management of its public facilities area. Other than that, under the supervision and management of Party A, the land development plan and management articles approved by Party A are the reference for the management and maintenance of the rest of the building.

4. The construction cost of public facilities that are installed according to the requirements of the land development proposal shall either borne by Party B or, depending on the terms of cooperation, shall be shared pro-rata according to the agreement. Party A or the competent authority of the said public facilities shall carry out the construction on behalf or send its personnel to assist in construction supervision. The ownership of public facilities ie: roads, pedestrian bridges, and underground passages shall be donated to the local government of the location of the said public facilities after their construction, and then handed over to the competent authority of public facilities for management and maintenance.
5. Party B, when taking over this building for uniform management, shall, before the start of management, purchase insurance policies relating to the facilities and liabilities of this building during the period of management.

#### Article 15 Breach of Contract and Penalty

1. Where Party B has not made payment related to cost, expense or other required disbursement within the prescribed time limit, a penalty of one thousandth of the total payment for every day will be levied, up to thirty days after the deadline and shall be given to Party A as compensation.
2. Where Party B has not applied for a construction permit or commenced construction or completed construction for handover within the prescribed time limit, a penalty of one thousandth of Party B's total construction cost will be levied for every day, up to thirty days after the deadline and shall be paid to Party A.
3. Where the delay of construction progress is attributable to Party B, and such delay has caused the land providers to pay additional land value increment tax and other taxes, Party B shall liable for the additional amount.

#### Article 16 Rescission and Termination of Contract

1. In any of the following circumstances, unless otherwise stipulated in this Contract, Party A may rescind or terminate this Contract:

- (a) Where Party B has violated any of Paragraph 2, Article 4, Paragraph 7, Article 6, Paragraph 2, Article 8, Paragraph 1, Article 9 of this Contract; and does not make any improvement within the deadline even after being urged to do so by Party A.
  - (b) The construction permit prior to the commencement of construction is voided or cancelled.
  - (c) Party B has transferred the rights and obligations of this Contract to another person without authorization.
  - (d) Party B does not resume construction within the prescribed time limit or work progresses too slowly, due to an on and off work schedule or insufficient laborers, machines, tools and equipment, such that the condition is sufficient to be concluded as construction cannot be completed on schedule.
  - (e) Party B has violated the stipulations of this Contract or obviously has conducted jerry-building or the employees of Party B refuse to follow Party A's supervision or other serious circumstances that lead to the failure of performance of the contract.
  - (f) Party B has violated Paragraph 1, Article 14 of this Contract.
  - (g) When Party B has not observed or performed any articles of this Contract, and does not make any improvement within the deadline after being notified by Party A.
2. In the event of Party A and the landowners having incurred damages as a result of Party A rescinding or terminating this Contract, Party B shall liable for damage compensation.
3. After Party A has rescinded or terminated this Contract, Party A may carry on to complete the construction on its own or look for another investor to take over and complete the construction. Party B shall transfer its share of construction and land rights without any condition, or change the name of proprietor to Party A or the investor found by Party A. In the case of Party A has assisted Party B in getting financing, Party A, Party B and the financing bank shall jointly discuss and make a decision on the share of construction and land rights for Party B.
4. In the case that the causes for this construction site's incapability to make an application for construction permit is not attributable to Party B, Party A and Party B shall negotiate to rescind this Contract. When both parties

cannot reach a consensus, the party that disagrees with rescinding the Contract shall bear all costs and expenses that thereby arise.

#### Article 17 Supplementary Provisions

1. The attachments of this Contract are parts of this Contract and as effective and valid as this Contract with regard to the rights or obligations of Party A and Party B.
2. Without the approval of Party A, Party B who as a landowner has acquired the qualification of priority investment may not dispose of his/her land ownership after signing this Contract.
3. When Party B reorganizes or changes Responsible Person, it shall submit to Party A, a letter enclosed with the relevant documents within thirty days starting from the day of the said change.
4. Both parties shall send notifications to the addresses recorded in this Contract or those on the written notification of changes of address after signing this Contract, in the case of the notifications are undeliverable or rejected, in all occasions the notifications are considered as being delivered at the time that postage of registered mail is made.
5. Any notifications or documents that, in accordance with this Contract, must be given to Party B shall be in the form of writing.
6. With regard to disputes that arise from this Contract, regardless of whether the said dispute has been presented for arbitration, litigation or other means of settlement, Party B shall not suspend the construction of this building without written approval from Party A. Both parties agree that the Taipei District Court will be the jurisdictional court of the first instance in the event of litigation.
7. With regard to contract performance, building construction, management, and maintenance, Party B shall comply with the laws and regulations of the Republic of China, including the establishment of business organization, and application for business registration within the boundary of the Republic of China, and all laws and directives of the competent

authorities. Party B is also responsible to make application and obtain all licenses that are needed for the construction and operation of this building.

8. Both Party A and Party B agree that the laws of the Republic of China will be the basis of governing law to resolve any dispute that arises from this Contract.
9. In the case of joint investment, all joint investors agree with the joint and several liabilities for the Taipei City Government with regard to all obligations that arise from the Investment Contract signed between the joint investors and Taipei City Government.
10. Other Agreements:
11. The original of this Contract is made in duplicate, with one copy to be retained by each party;       copies of duplicate copy are distributed for the uses of Party A and Party B. In case of any inconsistency between these copies, the original shall govern.

#### Article 18 Special Provisions

1. Party B shall, based on the drawings, budget and construction cost analysis in the development proposal approved by Party A for accessory facilities in the development site, construct the\_\_\_\_ entrance\_\_\_\_ vent of the integrated structure of mass rapid transit facilities of the joint development building and other relevant accessory facilities. After Party A and Party B sign this Investment Contract, the Department of Rapid Transit Systems of Party A (hereinafter referred to as DORTS) or the designated project office will conduct price negotiations with Party B. Upon the completion of price negotiation, the “Agreement of Design and Construction Commission for Mass Rapid Transit Facilities in the Land Development Site” (hereinafter referred to as “Mass Rapid Transit Facilities Agreement”) will be signed separately. In line with the planned service demand for the Mass Rapid Transit route, Party B shall complete the relevant mass rapid transit facilities and hand it over to DORTS (or the designated project office) as scheduled in the Agreement.
2. In the event that the “Mass Rapid Transit Facilities Agreement” has failed;

DORTS (or the designated project office) will look for another enterprise to undertake the project. Party B shall be personally liable for the relevant expenses incurred and may not request any compensation from Party A, DORTS (or the designated project office). Party B shall return to Party A any amount that Party A has paid in advance for handling the land development project of this site within the time limit notified by Party A.

3. In the circumstances that the termination or rescission of “Mass Rapid Transit Facilities Agreement” by Party A is attributable to Party B, Party B shall pay compensation for any damage that has arisen. In the case of DORTS (or the designated project office) has found another enterprise to undertake the design and construction of mass rapid transit facilities and integrated structure construction of joint development project, the site shall be handed over to Party B for continuing the successive works upon the completion of integrated structure construction. In the case that the overall development schedule for the land development as a result has to be adjusted accordingly, Party B shall coordinate without any conditions, and also may not request any compensation from Party A, DORTS (or the designated project office) for the relevant expenses incurred.

#### Article 19 Attachments

This Contract shall include the following attachments:

- 1. List of Land Location, Area, and the Scope of Ownership for Each Landowner of this construction site.
- 2. Land Development Project (including development proposal and the project’s legal conditions approved by Party A)
- 3. Contract of the Joint Development of Land Adjacent to or Contiguous with Taipei Rapid Transit Systems of this construction site or Regulations for Negotiation of Preferential Trading of Land for Taipei Metropolitan Rapid Transit Systems.
- 4. Design Manual of the Joint Development of Land Adjacent to or Contiguous with Taipei Rapid Transit Systems.
- 5. Joint Development Proposal (content of land development and control regulations) of this construction site.
- 6. Directions for Reviewing and Selecting Investment Application of

Joint Development of Land Adjacent to or Contiguous with Taipei Rapid Transit Systems of this construction site.

- 7. Party B's reply to the opinions on legal conditions approved by Party A, and a list of estimated total investment.
- 8. Directions of Handing Over Joint Space Development of Taipei Rapid Transit Systems Integrated Structure Construction.
- 9. Other:

In witness whereof, the parties herein set forth below have signed this Contract on the day and year first above written:

Party A:

Legal Representative:

Address:

Telephone Number:

Party B:

Legal Representative:

Address:

Telephone Number:

Party B:

Legal Representative:

Address:

Telephone Number:

Party B:

Legal Representative:

Address:

Telephone Number:

Party B's Collaborators or the joint and several obligors:

Collaborator:

Legal Representative:

Address:

Telephone Number:

Collaborator:

Legal Representative:

Address:

Telephone Number:

Collaborator:

Legal Representative:

Address:

Telephone Number: