



BUKIT LAND LEASE

EXTRAORDINARY GENERAL MEETING (EGM)

An Extraordinary General Meeting (EGM) regarding the Bukit Land Lease's Memorandum of Agreement (MOA) was held on Tuesday, 24 November 2020 through electronic means due to regulations in place of the COVID-19 situation.

Club President and Chairman of this meeting Mr Andrew Low, Vice President Mr Han Fook Kwang, Club Captain Mr Vincent Wee, Treasurer Mr Paul Kwek and General Manager Mr Desmond Tay attended the EGM from the Island Boardroom. The rest of the General Committee Members and voting members joined in the EGM remotely by observing and listening to the proceedings of the meeting. At 7pm, there were only 60 voting members who joined the meeting and did not meet the quorum of 100, and the meeting was adjourned to 7:30pm.

The following is the transcript of Club President Andrew Low's opening address at the meeting:

Good evening ladies and gentlemen,

On behalf of my GC colleagues, we thank you for participating in tonight's EGM. I would like to update you where we are now on the status of our Bukit Lease agreement.

As most of you would know, the Club received an offer from the Ministry of Law in February 2014 on the lease extension post-2021 for both Island and Bukit locations. The lease for the Island location was offered an extension to 31 December 2040, while that for the Bukit location was offered an extension to 31 December 2030.

The extension of the land lease at the Bukit location was premised on the Club reaching a sharing agreement with the Labour Movement. But on 2 October 2020, the Club was informed that the Labour Movement has decided to withdraw from the opportunity to run the Sime Course as a public course.

The Government has now offered Keppel Club the opportunity to run the public golf course, and the Club would have to enter into a sharing agreement with Keppel Club by 23 October 2020.

To conclude the sharing agreement, there is a two-step process. Firstly, the Club executed a Points of Agreement with Keppel Club on 23 October 2020, of which the key salient terms were shared at the 20 October 2020 Members' Dialogue and my message dated 22 October 2020.

Next, the Club will have to execute a Memorandum of Agreement with Keppel Club by 30 November 2020. In the past month, we have moved the discussions with Keppel Club as swiftly as possible to reflect the terms that were agreed upon in the Points of Agreement into the Memorandum of Agreement. We are only left with minor details which are non-substantial.

I will now ask the General Manager to provide an update on the Memorandum of Agreement and Licence Agreement.

Thank you.





Update on the Memorandum of Agreement (MOA) and Licence Agreement by General Manager Desmond Tay

Parties to the Memorandum of Agreement

SICC

- SICC will be executing the Memorandum of Agreement.
- DBS Trustees will also be executing the Memorandum of Agreement as the Club's Trustee.
- This is in accordance with Rule 30 of our Club Rules which stipulates that all immovable property and investments of the Club shall be held in trust for the Club, by a trust company.

Keppel Club

- Keppel Club will be executing the Memorandum of Agreement

Deadline/Execution of the Agreement



The MOA will be entered into first between the parties by 30 November 2020.

The Licence Agreement and the Facility Sharing Agreement have not been finalised and they will both be entered into at a later stage, closer to 1 January 2022. The drafts will be attached to the Memorandum of Agreement. The rationale for this is because the leases for the land will only be granted by the Singapore Land

Authority (SLA) closer to 1 January 2022, and may contain conditions which may need to be reflected in the Licence Agreement and Facility Sharing Agreement.

Demarcation of Golf Courses

The courses will be delineated from 1 January 2022, pursuant to a requirement by the SLA.

Keppel Club will take Parcel A, below the boundary line, whereas SICC will take Parcel B, above the boundary line.



Notwithstanding the delineation, both Bukit and Sime Courses will be played as they are.

SICC will operate and manage the Bukit Course as a private members' course, whilst Keppel Club will manage and operate the Sime Course as a public course. Both courses will be used on an "AS IS" basis.

Licence for the Operation of and Play on Golf Courses

SICC will grant Keppel Club a licence over Parcel B to allow:

- them to operate and manage the Sime Course (to the extent it falls on Parcel B); and
- the public to play on the Sime Course (to the extent it falls on Parcel B).

In return, Keppel Club will grant SICC a licence over Parcel A (excluding the Bukit Clubhouse, the Bukit Halfway House, the Driving Range and the Maintenance Facility) to allow:

- SICC to operate and manage the Bukit Course (to the extent that it falls on Parcel A); and
- SICC members to play on the Bukit Course (to the extent that it falls on Parcel A).

Bukit Clubhouse (Leasehold)

Keppel Club will manage, operate and maintain the Bukit Leasehold Clubhouse and Bukit Halfway House. All F&B outlets at the Bukit Leasehold Clubhouse and Bukit Halfway House, located on Sime Course, shall be open to members of the public. Keppel Club has agreed to accord SICC members signing privileges and discounts at such F&B outlets and driving range, with details to be worked out at a later stage.

Driving Range

Keppel Club will manage, operate and maintain the driving range, other than the maintenance of the driving range turfgrass, which SICC shall maintain.

Keppel Club shall be entitled to review the location, use, feasibility and other aspects of the driving range and may in its absolute discretion, redevelop, relocate, reduce, remove, expand or alter in any way whatsoever.

In the event the driving range is to be redeveloped, relocated, reduced, removed, expanded or altered, Keppel Club will provide at least three months' prior written notice of such redevelopment, relocation, reduction, removal, expansion or alteration to SICC.

Only to the extent that the driving range may be feasibly operated and/or expanded, Keppel Club has agreed to accommodate SICC's request to accord SICC Members signing privileges and discounts at the driving range.

Keppel Club will not be able to accommodate SICC's request to set aside a section of the driving range for the priority use by SICC Members as this has not been permitted by Sports SG.



Maintenance of Sime Road

SICC will maintain the part of Sime Road and all other service roads branching off from Sime Road falling within Parcel B.

Keppel Club will maintain the part of Sime Road and all other service roads branching off from Sime Road falling within Parcel A.

SICC and Keppel Club will share the aggregate costs on a 50-50 basis for routine repair, renewal and maintenance of the Sime Road (and all other service roads).

Maintenance of the Golf Courses

SICC will be maintaining the grounds, which comprise the whole of Parcel A, and B including:

- i. The Bukit Course;
- ii. The Sime Course;
- iii. The Bukit Halfway House;
- iv. The Maintenance Facility; and
- v. Driving Range turfgrass (non-physical structures)

("SICC Maintained Area")

This includes dealing with the discharge and removal of sewerage from the SICC Maintained Area and the maintenance of all sewerage facilities and systems within the SICC Maintained Area.

If mutually agreed, parties may appoint a third party contractor to take over the maintenance of the SICC Maintained Area and agree on the scope of work to be undertaken. The cost of engaging such third party contractor shall be borne by SICC and Keppel Club may mutually agree.

Cart Paths

SICC and the Keppel Club shall each at their own costs maintain the cart paths (including all fixtures and fittings and the conducting media in and serving the cart paths) on Bukit Course (if and when constructed) and Sime Course respectively in good order and repair.

Irrigation System

SICC and Keppel Club will rely on the existing irrigation system to serve both the Bukit Course and Sime Course with the costs to be borne by both parties equally, save for expenditure of a capital nature.

SICC shall maintain the existing irrigation system to a standard reasonably necessary for the efficient and proper operation of the Bukit Course and Sime Course.

Cost of Maintenance of the Golf Courses

The costs of the maintenance of the SICC Maintained Area and irrigation system will be shared on the following basis:

- SICC – 50%
- Keppel Club – 50%

The costs in relation to the maintenance of the turfgrass on the driving range shall be wholly borne by Keppel Club.

Cost of Maintenance Facility

Parties have also agreed that a proportionate part of the lease premium payable by Keppel Club for the maintenance facility (having regard to the area used for the maintenance facility on that part of Parcel A) and cost of renewal, repair and maintenance of the maintenance facility will form part of the overall maintenance costs which are to be shared by SICC and Keppel Club.

Sewerage, Water and Electricity

SICC will be responsible:

- i. To deal with the discharge and removal of sewerage from the Maintenance Facility;
- ii. For the supply of electricity and water to the Bukit Course and the Sime Course, including the irrigation system, the maintenance facility and Sime Road; and
- iii. pay the utilities deposit and all utilities charges payable in respect of dealing with the discharge and removal of sewerage from the maintenance facility and the electricity and water supplied to Bukit Course and Sime Course

SICC and Keppel Club will share all costs and expenses on a 50-50 basis.

Carpark, Changing Rooms & Buggy Staging Area

Keppel Club agrees that the carpark and changing rooms located at the Bukit Clubhouse will be open to public but up until a period ending one month after the date of issuance of the Temporary Occupation Permit (TOP) in relation to the Clubhouse located at the Bukit Freehold Land. SICC members shall be able to park their vehicles at the public carpark; and utilise Keppel Club's changing rooms. SICC and Keppel Club are working out the details on conditions and charges of the arrangement.

Keppel Club agrees to the sharing of the buggy staging area serving the Sime Course with SICC for a period ending one month after the date of issuance of the Temporary Occupation Permit (TOP), in relation to the Clubhouse located at the Bukit Freehold Land. The agreement states that SICC may utilise Keppel Club's buggy staging area to park the buggies, prepare the buggies for use by SICC members and for such other purposes, which is customary for a buggy staging area, with details on conditions and charges to be worked out later.

Steering Committee

The MOA provides for the setting up of a Steering Committee comprising four members – two from SICC and two from Keppel Club.

The Steering Committee aims, amongst others, to achieve the objectives and supervise the execution of the Licence Agreement and Facility Sharing Agreement in relation



to the sharing of ancillary golfing facilities at the Bukit location and the reconfiguration of the golf courses.

Licence Agreement (LA)

Apart from dealing with licence to access each other's courses, the LA also deals with the licence for SICC to grant Keppel Club the following:

- i. For authorised persons to go, pass and repass that part of Sime Road which falls within Parcel B;
- ii. To take and use the water from MacRitchie Reservoir or such sources(s) of water as may be available from time to time to the SICC Trustee and the Club, and the right for the full and uninterrupted flow and passage at all times of water from MacRitchie Reservoir or such other source(s) of water as may be available from time to time through the line of pipes under or through Parcel B with the right at all times to enter upon such parts of Parcel B under or through which pipes are laid to inspect, clean, repair and renew them.

The LA also deals with the licence for SICC to grant Keppel Club the following:

- i. For the inspection of the irrigation system serving the Bukit Course and Sime Course
- ii. For the maintenance of the cart paths (including all fixtures and fittings and the Conducting Media in and serving the cart paths) on the Sime Course

In turn, Keppel Club will grant SICC the licence for the following:

- i. For ingress to and egress from the maintenance facility for the purpose of maintenance;
- ii. For the operation and maintenance of the irrigation system serving both the Bukit Course and Sime Course;
- iii. For authorised persons to go, pass and repass that part of Sime Road which falls within Parcel A;
- iv. For the maintenance of the SICC Maintained Area (part of which falls under Parcel A);
- v. The right for the full and uninterrupted flow and passage at all times of water from MacRitchie Reservoir or such sources(s) of water as may be available from time to time
- vi. For the maintenance of the cart paths on the Bukit Course, in accordance with terms of the Facility Sharing Agreement.

Facility Sharing Agreement

It is the parties' intention that they will enter into a Facility Sharing Agreement to regulate the sharing of the ancillary golf facilities located at the Bukit Location. This will include the Clubhouse, the F&B, the Bukit Halfway House, the maintenance facility, the driving range and the Clubhouse facilities.

Below is a summary of discussions during the Questions & Answers session:

What are the details of the sharing agreement for carpark lots, bag drop area, buggies and changing rooms?

Keppel Club has agreed to share the use of the carpark lots, bag drop area and changing rooms until the building of SICC Clubhouse on the Bukit Freehold Land has been completed, which is up to one month after the TOP date. Details of these arrangements will be included in the discussions with Keppel Club and will be finalised in the Facility Sharing Agreement.

If the maintenance works are done by SICC, is Keppel Club paying for the expenses related to Sime Course, driving range and more?

SICC and Keppel Club will bear these maintenance expenses on a 50-50 basis.

Sharing the costs of maintenance of both golf courses on a 50-50 basis may not be equitable to SICC as maintenance costs for a public golf course will be higher for Sime, as the public may be less mindful of taking care of the Sime Course.

The maintenance costs will be shared equally by both parties, as the maintenance cost is a pre-determined price set by an outsourced contractor. In the event of unforeseen circumstances that additional costs are incurred, SICC will work with Keppel Club to resolve the costs to be shared.

Which party will operate the buggy station?

There will be two sets of staff representing SICC and Keppel Club respectively at the buggy station. Both Clubs are working out the operational details to ensure a smooth experience for golfers and to prevent any conflict.



Who is in charge of the security for the combined area?

Costs incurred for security operations in the combined area will be shared on a 50-50 basis.

What is the reason behind intentionally omitting the clause regarding the Licence to Play between SICC and Keppel Club?

Clause 5.4 refers to the Licence to Play between SICC and Keppel Club based on the demarcation lines drawn. The licence provides for Keppel Club members and members of the public to play on the Sime Course in Parcel B, and provides for SICC members to play on the Bukit Course. The Licence Agreement and Sharing of Facilities Agreement is still subject to changes, and can only be entered into towards the end of 2021. This is because the renewal of the land leases can only be issued in mid to end 2021. The renewal of land leases would require SICC and Keppel Club to be included, and there may be further clauses added in by then.

Who would be responsible for maintaining the physical structure of the Bukit Halfway House?

Keppel Club would be the party responsible for the maintenance of the Bukit Halfway House's physical structure.

Why is the maintenance of the Clubhouse and driving range on a 50-50 basis if SICC members do not get designated range bays or exclusive areas of usage for Bukit 19th Hole?

The maintenance of the Clubhouse and driving range fully belongs to Keppel Club. The 50-50 basis is on the cost of maintaining the turfgrass of the driving range.

Will SICC members be able to use the facilities at the leasehold Clubhouse as members of the public after the new Clubhouse on the Bukit Freehold Land has opened?

Yes, SICC members will be able to use the facilities as members of the public, on top of the signing privileges which has been agreed upon with Keppel Club.

Will SICC have its own golf pro shop post 2021, and will SICC members be able to rent power trolleys?

Keppel Club will make their decision on the operation of a golf pro shop then. With regards to operating our own golf pro shop and rental of power trolleys, these are details which will be decided in the building of our Bukit Freehold Land Clubhouse.

Why does Clause 6A.1 (b)(i) state that "the Keppel Club Trustees and the Keppel Club are not responsible even for wilful misconduct"?

Both parties have been given the same rights that they will not be according each other with wilful misconduct. This clause specifies that Keppel Club will not be responsible to SICC or to the Club or its trustees for any damage, loss or injury as a result of wilful misconduct, which is the same thing accorded to Keppel Club by SICC. It is a corresponding right which has been given to both parties.

Resolution

To approve the Memorandum of Agreement, to authorise the General Committee to execute the Memorandum of Agreement and to authorise DBS Trustee to execute the Memorandum of Agreement

For	49 Votes
Against	0 Vote
Void	8 Votes
Total	57 Votes

The motion is carried.

On behalf of the General Committee Members, Club President Andrew Low thanked all Members for taking the effort in attending the EGM and ended the meeting at 8:10pm.

