



- P** - PINK
- G** - GREEN
- DB** - DARK BLUE
- LB** - LIGHT BLUE

FOR IDENTIFICATION PURPOSES ONLY

CITY SITE PLAN FOR
PRINCIPAL DEED OF MUTUAL COVENANT FOR
DISCOVERY BAY CITY, R.P. OF LOT 385 IN D.D. 352 & EXTENSION (S)

GLENN K. L. LAU, R. I. B. A.
AUTHORIZED PERSON-ARCHITECT

WONG TUNG & PARTNERS
ARCHITECTS & PLANNERS
20TH FL. LEIGHTON CENTRE HONG KONG

THIS INDENTURE made the 30th day of September
One thousand nine hundred and eighty-two
BETWEEN HONG KONG RESORT CO. LIMITED whose registered office is situate at
26th Floor, Realty Building, Des Veoux Road Central, Hong Kong (hereinafter
called "the Registered Owner") of the first part

both of 2nd
Floor, No.33 Sai Wan Ho Sreet, Hong Kong (hereinafter called "the First
Purchaser" which expression shall where the context so admits include his
executors administrators and assigns) of the second part THE HONGKONG AND
SHANGHAI BANKING CORPORATION whose head office is situate at No.1 Queen's Road
Central, Hong Kong (hereinafter called "the Mortgagee" which expression shall
where the context so admit include its successors and assigns) of the third
part and DISCOVERY BAY SERVICES MANAGEMENT LIMITED whose registered office
is situate at 26th Floor, Realty Building, Des Veoux Road Central aforesaid
(hereinafter called "the Manager" which expression shall have the meaning
assigned to it in Recital (1) (a) hereof) of the fourth part.

W H E R E A S :-

(1) (a) In this Deed the following expressions shall have the following
meanings ascribed to them whenever the context permits :-

- "The Lot" All That piece or parcel of land registered in the
District Land Office Island as The Remaining Portion
of Lot No.385 in D.D.352 and the Extensions thereto
and any further extensions thereto (if any).
- "Conditions" New Grant No.6122, New Grant No.6620, New Grant
No.6788 and New Grant No.6947 collectively and any
subsequent modifications of the Conditions.
- "City" The whole of the development on the Lot to be known
as "DISCOVERY BAY CITY" (愉景灣) including
all the buildings therein.
- "Phase" The phases in which the Lot is intended to be
developed in conformity with the Master Plans.
- "Village" Any part or parts of the City constructed or to be
constructed on part or parts of the Lot separately
designated and described by any Sub-Deed of Mutual
Covenant.
- "Buildings" All buildings and other structures in or upon the Lot
and in the singular means any building on the Lot.
- "Clubs" The Country Club, the Membership Golf Club, the Marina
Club, the Discovery Bay Residents Club and any other
Club or Clubs recognised and approved by the
Registered Owner or the Manager whether the same is
operated for profit or otherwise.

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| "Service Area" | The pieces of land indicated in the Master Plans as Service Area on which the gas plants, repair shops, Godowns, dormitories for staff and all other buildings and structures which will be constructed thereon for the purpose of supplying services to the City. |
| "The School" | The School or Schools to be erected on part or parts of the Lot in accordance with the Master Plans. |
| "The Hotels" | The Hotel or Hotels to be erected on part or parts of the Lot in accordance with the Master Plans. |
| "Commercial Development" | All the Buildings erected or to be erected on the Lot for commercial use in accordance with the Master Plans. |
| "Commercial Unit" | A Unit in the Commercial Development. |
| "Other Unit" | The Clubs, the Hotel, the School, the Service Area, the Car Parking Spaces and all other areas for non-residential uses except City and Village Common Areas and Facilities. |
| "Residential Development" | All the buildings erected or to be erected on the Lot intended for residential use in accordance with the Master Plans. |
| "Residential Unit" | A Unit in the Residential Development. |
| "City Common Areas" | The tunnel, the major roads and passageways, footpaths, steps and staircases not within any buildings or villages, driveways and pavements, pumping stations, conservation areas, dam and reservoir and refuse disposal areas, salt and fresh water storage and treatment areas, sewage treatment areas, and such part or parts of the Service Area as shall be used for the benefit of the City. These City Common Areas together with those City Retained Areas as defined and these City Common Facilities as defined form the entire "Reserved Portion" and "Minimum Associated Facilities" mentioned in the Conditions. |
| "City Retained Areas" | The Piers, the breakwaters and other marine structures, public gardens, lawns, transport terminal, children's playground, public beaches, estate management offices, aviary/botanical garden, non-membership golf course (if any), cable-car system (if any), the heliport and the other part or parts of the Service Area and all open areas and spaces in the City other than the City Common Areas. |
| "City Common Facilities" | (a) Such of the sewers, wells (if any) power transmission lines, wires and cables and other service |

facilities whether ducted or otherwise which are or at any time may be in, under or over or passing through the Lot or the City, through which fresh or salt waters, sewage, gas, electricity and other services are supplied to the City or any part or parts thereof.

(b) Power sub-stations, fresh and salt water storage and treatment plants, pumping stations, salt water intake and mains, sewage treatment plants and pumping station and mains, transformer stations, main distribution frame rooms (for telephone), pump houses, refuse disposal plant, switch rooms, mechanical rooms, mechanical ventilation rooms and storerooms for use and benefit of the City and not for use or benefit of a particular Village or building therein.

(c) Lamp posts and other lights along the major roads, Passageways, driveways and footpaths and other City Common Areas including navigational lights.

(d) Transportation and other mechanical devices employed by the Registered Owner or the Manager for the use and benefit of the City.

(e) Dams and Reservoirs.

(f) Any other facilities and devices installed or provided in the City for the use and benefit of the City and not for the use and benefit of a particular Village or Building.

All or any of such City Common Facilities may be assigned by the Registered Owner to the Manager for use and benefit of the City upon completion of the development of the Lot or any part thereof in accordance with the provisions of this Deed or the Conditions or any Sub-Deed of Mutual Covenant.

"Village Common Areas"

All Those part or parts of the Village as are now or hereafter from time to time designated by the Registered Owner as Village Common Areas in accordance with the provisions of this Deed or any Sub-Deed of Mutual Covenant governing the Village.

"Village Common Facilities"

The water pipes, drains, wires, television aerials, cables and lighting and any other facilities within the boundary of a Village more particularly described in the Sub-Deed of Mutual Covenant governing the Village.

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| "Village Retained Areas" | All open areas and spaces in a Village other than the Village Common Areas and other spaces designated as such by the Sub-Deed of Mutual Covenant governing the Village. |
| "the Owners" | The Registered Owner, the First Purchaser any person who may hereafter become the registered owner or mortgagee of any undivided shares in the Lot and the City including joint tenants or tenants in common and its or his or their executors, successors and assigns and references to the Owner or Owners or Owners for the time being where undivided shares in the Lot and the City entitle him or them to the exclusive right to use occupy and enjoy that part of the City. |
| "Owned" | That part of the City to the use and enjoyment of which he is exclusively entitled. |
| "GBA" | The area contained within the external walls (or in the absence of such walls the external perimeters) of the building measured at each floor level (including any floor below the level of the ground), together with the area of each balcony in the building, which shall be calculated from the overall dimensions of the balcony (including the thickness of the sides thereof) and the thickness of the external walls of the building. |
| "Management Unit" | Every 10 square metre of GBA of a unit, whether commercial or residential, forms a Management Unit and shall be allocated as hereinafter described. |
| "Undivided Shares" | All those equal undivided parts or shares of and in the Lot and the City allocated as hereinafter referred to. |
| "Reserved Undivided Shares" | All those equal undivided parts or shares of and in the Lot and the City reserved by the Registered Owner for allocation as specified in SECTION III. |
| "The Manager" | Discovery Bay Services Management Limited or any other manager for the time being appointed as manager of the City pursuant to the Conditions and/or this Deed. |
| "Management" | All duties and obligations to be performed and observed by the manager pursuant to the Conditions and/or this Deed and/or any Sub-Deed of Mutual Covenant entered into pursuant to the provisions herein contained. |

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| "Maintain" | Repair, uphold, support, rebuild, overhaul, pave, purge, scour, cleanse, employ, amend, keep, replace, decorate and paint or such of the foregoing as may be applicable in the circumstances and in the interest of good estate management and "maintenance" shall be construed accordingly. |
| "Manager's Remuneration" | The remuneration of the Manager as provided herein or by any Sub-Deed of Mutual Covenant entered into pursuant to the provisions herein contained. |
| "Management Expenses" | The costs, charges and expenses for the management and maintenance as provided in this Deed and/or any Sub-Deed of Mutual Covenant entered into pursuant to the provisions herein contained. |
| "Management Funds" | All monies received recovered or held by the Manager including the Reserved Fund mentioned in Clause 2 (o) of Sub-Section D of SECTION IV for the use and benefit of the City pursuant to this Deed and/or any Sub-Deed of Mutual Covenant entered into pursuant to the provisions herein contained except only the Manager's Remuneration. |
| "Car Parking Spaces" or "Car Park" | A car parking space on the Lot to which one separate Undivided Shares has been allocated not being a car parking space in a private garage enjoyed with a Garden House or a parking space enjoyed with a residential unit. |
| "Vehicles" | Any mechanically propelled vehicles. |
| "Major Roads" | All those roads shown for identification on City Site Plan attached hereto and thereon coloured blue. |
| "Passageways" | All those parts of the Lot as are now or hereafter designated by the Registered Owner as passageways including covered walkways, if any. |
| "Area" | a part of the Lot. |
| "The said Secretary" | The Secretary for the New Territories. |
| "The said Director" | The Director of Public Works. |
| "The said District Land Office" | The District Land Office, Islands. |
| "Government" | The Hong Kong Government and includes all governmental departments or other acting or purporting to act with the Government's Authority. |
| "Month" | Calendar month by European reckoning. |
| "City Rules" | The City Rules made as provided by this Deed and from time to time in force. |

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| "Village Rules" | The rules governing a Village from time to time in force made under a Sub-Deed of Mutual Covenant. |
| "City Owners' Committee" | A Committee of the owners of the City established under the provisions of this Deed. |
| "Village Owners' Committee" | A Committee of the owners of a Village established or to be established pursuant to the provisions of a Sub-Deed of Mutual Covenant. |
| "Occupation Permit" | A temporary or permanent occupation permit issued by the Building Authority. |
| "Developed or Completed Structure" | a structure in the City the occupation permit of which has been issued by the Building Authority. |
| "Master Plans" | The plans for the development of the Lot and/or any amendment thereto duly approved by the said Secretary in accordance with Special Condition 6 of the Conditions and deposited in the said District Land Office. |

(b) In this Deed references to the singular shall include the plural and vice versa and references to the masculine gender shall include the feminine or neuter gender.

(2) Immediately prior to the assignment to the First Purchaser hereinafter referred to the Registered Owner was the registered owner of the Lot which is held from the Crown absolutely under and by virtue of the Conditions under which a Crown Lease will be granted for a term of 99 years less the last three days from 1st July 1898 subject to the payment of the rent and to observance and performance of the terms and conditions therein reserved and contained.

(3) By a Debenture registered in the said District Land Office by Memorial No.96483, a Supplemental Mortgage registered in the said District Land Office by Memorial No.98337, a Building Further Charge registered in the said District Land Office by Memorial No.100762, a Supplemental Mortgage registered in the said District Land Office by Memorial No.106074, a Building Further Charge registered in the said District Land Office by Memorial No.108347 and a Building Further Charge and Deed of Variation registered in the said District Land Office by Memorial No.111198 (hereinafter collectively called "the said Mortgages and Further Charges") and all made between the Registered Owners of the one part and the Mortgagee of the other part All That the Lot together with the appurtenances was assigned by the Registered Owner unto the Mortgagee by way of Mortgages and Further Charges for securing the due payment of all sums of money granted or granted or made available by the Mortgagee to the Registered Owner to such extent as the Mortgagee shall from time to time think expedient and interest thereon subject to the terms and conditions therein contained.

(4) The Registered Owner is in the course of developing the Lot in accordance with the Master Plans and has constructed or is in the course of constructing on the Lot the City Common Areas and Facilities which have been completed or in the course of being completed.

(5) The Registered Owner is also in the course of developing the Lot in accordance with the Master Plans and has constructed or is in the course of constructing PARKRIDGE VILLAGE of which Seaview, Sunrise and Mountain View have been completed and an Occupation Permits in respect of the same have been obtained and a Consent to Assign has been issued covering the aforesaid buildings.

(6) For the purpose of sale the Lot and the city have been notionally divided into 250,000 equal undivided shares which have been allocated as follows :-

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| Residential Development | 56,500 |
| Commercial Development | 4,850 |
| Clubs and public recreation activities | 2,150 |
| Hotel | 3,500 |
| Schools | 300 |
| Car Parks | 5,000 |
| (1 undivided share for each car park x 5,000) | |
| Reserve Undivided Shares | 55,000 |
| City and Village Retained Areas | (100,000 |
| City and Village Common Areas | 22,700 |
| And Facilities | |

250,000

(7) The said 250,000 equal undivided shares shall be allocated to the City and the Villages as provided by this Deed and any Sub-Deeds of Mutual Covenants.

(8) By a Reassignment dated the 8th day of September 1982 and made between the Mortgagee of the one part and the Registered Owner of the other part All That the estate right title benefit and interest of and in All Those 30,800 equal undivided 250,000 parts or shares of and in the Lot and the City together with the full exclusive right and privilege to hold use occupy and enjoy All Those Parkridge Village, Beach Village and Headland Village as more

particularly described therein were reassigned and released unto the Registered Owner by the Mortgagee absolutely subject to the Conditions but freed and discharged of and from the said Mortgages and the said Further Charges.

(9) By an Assignment bearing even date herewith and made between the Registered Owner of the one part and the First Purchaser of the other part the Registered Owner assigned unto the First Purchaser All That the estate right title benefit and interest of the Registered Owner of and in All Those 5 equal undivided 250,000 parts or shares of and in the Lot and All Those 5 equal undivided 7,400th parts or shares of and in the buildings and other structures and ancillary works now erected or hereafter to be erected or constructed on the said Parkridge Village (comprising four main buildings known as Starview, Seaview, Sunrise and Mountain View) which form part of the City Together with the sole and exclusive right and privilege to hold use occupy and enjoy All That Flat "E" on the Eighth Floor, Mountain View, No.4 Parkridge Crescent, Parkridge Village.

(10) In accordance with the provisions of Section 2A of the Multi-Storey Buildings (Owners Incorporation) Ordinance Cap.344 the Registered Owner has given an Undertaking to the Government to manage the City which Undertaking was registered in the said District Land Office by Memorial No.102012.

(11) The parties hereto have agreed to enter into this Deed for the purpose of making provisions for the management, maintenance, insuring and servicing of the Lot, the City, and the Village, and its equipment, services and apparatus and for the purpose of defining and regulating the rights, interests and obligations of the Owners in respect of the Lot and the building and to provide for a due proportion of the common expenses of the Lot and the City to be borne by the Owners.

(12) Consent to enter into this Deed of Mutual Covenant has been obtained from the Registrar General (Land Officer) for and on behalf of the said Secretary.

NOW THIS DEED WITNESSETH as follows :-

SECTION I

1. The Registered Owner shall at all times hereafter subject to and with the benefit of the Conditions insofar as they relate hereto have the full and exclusive right and privilege to hold use occupy and enjoy to the exclusion of the First Purchaser All the City (save and except only the said Flat E on the Eighth Floor, Mountain View, No.4 Parkridge Crescent, Parkridge Village) together with the appurtenances thereto and the entire rent and profits thereof but subject insofar as those parts of the City outside Parkridge Village (as shown coloured green on the plan hereto annexed), Beach Village (as shown coloured pink on the plan hereto annexed) and Headland Village (as shown coloured light blue on the plan hereto annexed) as more particularly described in the said Reassignment to the rights of the Mortgagee under the said Mortgages and the said Further Charges until the same shall have been discharged

2. The First Purchaser shall at all times hereafter subject to and with the benefit of the Conditions insofar as they relate hereto have the full and exclusive right and privilege to hold use occupy and enjoy to the exclusion of the Registered Owner and the Mortgagee All That the said Flat "E" on the Eighth Floor, Mountain View, No.4 Parkridge Crescent, Parkridge Village Together with the appurtenances thereto and the entire rents and profits thereof.

3. Each undivided share and the full and exclusive right and privilege to hold use occupy and enjoy any part of the City held therewith shall be held by the person or persons from time to time entitled thereto subject to and with the benefit of the easements, rights, privileges and obligations herein contained or in the Sub-Deed of Mutual Covenant governing the Village in question.

4. The Owner shall at all times hereafter be bound by and shall observe and perform the covenants, provisions and restrictions herein contained and in the Sub-Deed of Mutual Covenant and the benefit and burden thereof shall be annexed to every part of the Lot and the Buildings. The Law of Property (Enforcement of Covenants) Ordinance and any statutory amendments, modifications or re-enactments thereof for the time being in force shall apply to these presents.

5. Every Owner shall have the full right and liberty without reference to other Owners or other persons who may be interested in any other undivided share or shares in any way whatsoever and without the necessity of making such other Owners or other person a party to the transaction to sell, assign, mortgage, lease, licence or otherwise dispose of or deal with his share or interest in the Lot and the City together with the exclusive right and privilege to hold, use, occupy and enjoy such part or parts of the City

which may be held therewith but any such sale, assignment, mortgage, lease or licence shall be expressly subject to and with the benefit of this Deed and of the Sub-Deed of Mutual Covenant relating to the Village in question.

6. The right to the exclusive use occupation and enjoyment of any part of the Lot or the City shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the undivided share with which the same is held Provided Always that the provisions of this Clause shall not extend to lease or tenancy the terms of which shall not exceed 8 years nor to leases granted to government or public utilities companies.

7. Every Owner shall have the full right and liberty to go pass and repass over and along and use the City Common Areas and City Common Facilities constructed or installed in the Lot and the City for all purposes connected with the proper use and enjoyment of the same Subject to the City Rules relating to such City Common Areas and City Common Facilities.

8. There is reserved unto the Registered Owner its successors and assigns the following rights and privileges :-

(a) The Registered Owner shall have full power at all times hereafter to enter into and upon all parts of the Lot and the City with all necessary equipment plant and materials for the purposes of constructing the other phases of the City in accordance with the Master Plans or any part thereof and may for such purpose carry out all such works in under on or over the Lot and the City as it may from time to time see fit. The right of the Registered Owner to enter the Lot and the City to carry out such works shall extend equally to all necessary contractors agents workers and other persons authorised by the Registered Owner. The Registered Owner in pursuance of such work may from time to time issue in writing to the Owners instructions as to the areas or parts of the Lot and the City that the Owners their servants agents or licensees may or may not use while such works are being carried out. The Registered Owner shall not incur any liability to the First Purchaser or other Owners consequent upon any inconvenience, disturbance, damage or loss that may be caused by or arise from such construction works Provided that such construction works are carried out with due diligence.

(b) The Registered Owner shall have the right without the necessity of making any Owner entitled to the exclusive use occupation and enjoyment of any Commercial Domestic or Other Unit outside the Village in question a party thereto (in this sub-clause called "other owners") to enter into a Sub-Deed of Mutual Covenant in respect of any Village or any Car Parking Spaces therein or in the City PROVIDED THAT such Sub-Deed of Mutual Covenant shall not

conflict with the provisions of this Deed or affect the rights, interests or obligations of the Other owners bound by any other previous Sub-Deed of Mutual Covenant or impose on the other owners financial obligations in respect of the Village in question and PROVIDED FURTHER THAT such Sub-Deed of Mutual Covenant shall first be approved by the Registrar General (Land Officer) for and on behalf of the said Secretary.

- (c) The Registered Owner reserves the right to change the name of the City at any time and shall not be liable to any Owner or other person having an interest in the City for any damages, claims, costs or expenses resulting therefrom or in connection therewith.
- (d) The Registered Owner reserves the right to change, amend, vary, add to or alter the Master Plans existing at the date hereof without the concurrence or approval of any Owner or any of the parties hereto but nothing herein shall absolve the Registered Owner from the requirements of obtaining the prior written consent of the said Secretary pursuant to the Conditions. No such change or addition shall give to the Owners any right of action against the Registered Owner.
- (e) The Registered Owner reserves the right to build and operate in such part or parts of the City Common Areas and/or Village Common Areas for any purposes as the Registered Owner or the Manager sees fit provided that such buildings and operations shall not contravene the terms and conditions of the Conditions.
- (f) The Registered Owner shall have the right at any time by Deed Poll or in any Sub-Deed of Mutual Covenant to designate any part or parts of the Lot to be part of the City Common Areas and City Common Facilities, City Retained Areas, Village Common Areas and Village Common Facilities and Village Retained Areas which are not covered by the definition of "City Common Areas", "City Retained Areas", "City Common Facilities", "Village Common Areas", "Village Common Facilities" and "Village Retained Areas" contained in Recital (1) of this Deed on such terms and conditions as the Registered Owner shall in its absolute discretion think fit Provided that in making such designation the Registered Owner shall not in any way interfere with the Owner's right to hold use occupy and enjoy the Domestic Unit or Commercial Unit which he owns.
- (g) The Registered Owner reserves the right to assign any or all of the City Common Areas and City Common Facilities, City Retained Areas, Village Common Areas and Village Common Facilities and Village Retained Areas together with the number of Undivided

Shares relating thereto to the Manager for the general amenity of the Owners and other residents of the City subject to this Deed and any Sub-Deed of Mutual Covenant relating to the same and subject to the Conditions. Such Undivided Shares shall be held by the Manager as trustee for all the Owners for the time being and in the event the Manager shall be wound up or a Receiving Order made against it and another manager appointed in its stead in accordance with the provisions of Clause 18 of SECTION VII, then the Liquidator or the Receiver shall assign such Undivided Shares together with the City Common Areas and City Common Facilities, City Retained Areas, Village Common Areas and Village Common Facilities and Village Retained Areas they represent to the new manager PROVIDED ALWAYS THAT nothing herein contained shall in any way fetter or diminish the rights, powers, authorities, entitlements, duties and obligations of the Manager contained in this Deed of Mutual Covenant or the Sub-Deeds of Mutual Covenant.

- (h) The Registered Owner reserves the right to alter the Major Roads and Passageways provided such alteration is approved by the said Secretary.
- (i) The Registered Owner reserves the right to use such part or parts of the City Retained Areas and Village Retained Areas in such manner as it thinks fit, including but not limited to the construction of car parking spaces thereon or the paving of car parking spaces thereon or the construction of any structures thereon or the provisions of recreational or other facilities thereon Provided that any such use shall not be in contravention of the terms and conditions of the Conditions and until so used the Registered Owner shall be entitled to license such part or parts thereof to the Manager at a fee of \$1.00 per annum for use by the Owner as gardens and/or areas for recreational activities. In the event of such licence as aforesaid such licensed City Retained Areas or Village Retained Areas shall for the period of the licence be deemed to be part of the City Common Areas or Village Common Areas and the Owners shall contribute towards the maintenance and upkeep of the same as if they were part of the City Common Areas or Village Common Areas. The Registered Owner entitled to terminate this licence by giving to the Manager one month's written notice, in which event the licensed City Retained Areas and Village Retained Areas or such part or parts thereof as shall be required by the Registered Owner shall be vacated by the Manager and the Registered Owner shall be entitled to lay out or construct or pave car parking spaces and any other structures and

to lease license or sell the same or to designate the same as City Common Areas or City Common Facilities or Village Common Areas or Village Common Facilities.

- (j) In the event that the Government agrees to take over the Major Roads or the Passageways or any part thereof or any of the City Common Areas and City Common Facilities the City Retained Areas or Village Common Areas and Village Common Facilities or the Village Retained Areas the Registered Owner or the Manager shall have the right to surrender the same or any part thereof to the Crown.
- (k) The Registered Owner reserves the right to operate or to grant to any person the right to operate a helicopter service on the Lot and the right to fly over any part or parts of the Lot.
- (l) The Registered Owner shall at all times hereafter but subject to and with the benefit of the Conditions and this Deed and any Sub-Deed of Mutual Covenant insofar as they relate thereto have the full and unrestricted right without interference by the Owners to assign, mortgage, charge, lease, licence, franchise, part with possession of or otherwise deal with the Undivided Shares retained by the Registered Owner and to allocate and from time to time to reallocate to particular units within the City so retained such Undivided Shares and to assign, mortgage, charge, lease, licence or franchise the full and exclusive right and privilege to hold use occupy and enjoy any such units within the City.
- (m) The Registered Owner reserves the right to designate any part or parts of the City as exclusive to any particular Village or Building in any Sub-Deed of Mutual Covenant and in the event the Registered Owner shall so designate, that part or parts of the City shall be used or enjoyed only by the Owner of that Village or Building to the exclusion of all others except the Registered Owner and the Manager.

SECTION II

OBLIGATIONS OF THE REGISTERED OWNER RELATIVE TO THE DEVELOPMENT OF THE CITY

The Registered Owner covenants with the First Purchaser and the Owners and each of them that :-

- (a) It shall with all due despatch and in accordance with the Conditions and the time limits therein set forth (or such extension or extensions of time as shall be granted by the said Secretary) proceed with and complete the development of the Lot in accordance with the Conditions;
- (b) It shall cause and ensure that the Manager shall manage the City in accordance with the Conditions;
- (c) It shall pay to the Crown the full premium reserved by the Conditions as and when it or such part or parts thereof shall become due;
- (d) It shall provide the minimum associated facilities referred to in the Conditions;
- (e) It shall pay to the Crown its due proportion of the Crown Rent in respect of such areas as shall then be undeveloped or unsold;
- (f) It shall provide or cause to be provided a ferry service between the City and Hong Kong;

and shall keep the First Owner and the Owners fully and effectively indemnified against any breach of the Conditions or any of them in regard to any of the matters aforesaid.

SECTION III

UNDIVIDED SHARES

1. The said 56,500 Undivided Shares allocated to the Residential Development shall be sub-allocated to the Residential Units of each Village (as it is completed in conformity with the Master Plans) by the Registered Owner in the Sub-Deed of Mutual Covenant governing that Village and in the event :-

- (a) there shall be insufficient number of Undivided Shares to be allocated to the Village which shall be last completed in conformity with the Master Plans, then the Registered Owner shall allocate from the Reserve Undivided Shares such number of them as shall make up the deficiency to that last Village, and
- (b) there shall be more than the actual number of Undivided Shares required for all the Residential Units in the City, then the surplus number of Undivided Shares shall be deemed to be part of the Undivided Shares allocated to the City Common Areas and City Common Facilities and Village Common Areas and Village Common Facilities and the terms and conditions herein set out governing the same shall apply.

2. The said 4,850 Undivided Shares allocated to the Commercial Development shall be sub-allocated to the Commercial Units (as they are completed in conformity with the Master Plans) by the Registered Owner in the Sub-Deeds of Mutual Covenant governing the Commercial Development and in the event :-

- (a) there shall be insufficient number of Undivided Shares to be allocated to the Commercial Development, then the Registered Owner shall allocate from the Reserve Undivided Shares such number of them as shall make up the deficiency; and
- (b) there shall be more than the actual number of Undivided Shares required for the Commercial Development, then the surplus number of Undivided Shares shall be deemed to be part of the Undivided Shares allocated to the City Common Areas and City Common Facilities and Village Common Areas and Village Common Facilities and the terms and conditions herein set out governing the same shall apply.

3. The said 2,150 Undivided Shares allocated to the Clubs and Recreation shall be sub-allocated to the Clubs and other Recreation Facilities by the Registered Owner in accordance with the Master Plans and in the event :-

- (a) there shall be insufficient number of Undivided Shares to be allocated to the Clubs and other Recreation Facilities, then the Registered Owner shall allocate from the Reserved Undivided Shares such number of them as shall made up the deficiency; and
- (b) there shall be more than the actual number of Undivided Shares required for the Clubs and other Recreation Facilities, then the surplus number of Undivided Shares shall be deemed to be part of the Undivided Shares allocated to the City Common Areas and City Common Facilities and Village Common Areas and Village Common Facilities and the terms and conditions herein set out governing the same shall apply.

4. The said 5,000 Undivided Shares allocated to the Car Parking Spaces (at the rate of 1 Undivided Share per Car Parking Space) shall be sub-allocated to the Villages and Other Units by the Registered Owner in accordance with the Master Plans and in the event :-

- (a) there shall be insufficient number of Undivided Shares to be allocated to the Car Parking Spaces, then the Registered Owner shall allocate from the Reserve Undivided Shares such number of them as shall make up the deficiency; and
- (b) there shall be more than the actual number of Undivided Shares required for the Car Parking Spaces, then the surplus number of Undivided Shares shall be deemed to be part of the Undivided Shares allocated to the City Common Areas and City Common Facilities and Village Common Areas and Village Common Facilities and the terms and conditions herein set out governing the same shall apply.

5. The said 100,000 Undivided Shares allocated to the City Retained Areas and Village Retained Areas shall be sub-allocated to the City Retained Areas and Village Retained Areas by the Registered Owner and in the event :-

- (a) there shall be insufficient number of Undivided Shares to be allocated to the City Retained Areas and Village Retained Areas, then the Registered Owner shall allocate from the Reserve Undivided Shares such number of them as shall make up the deficiency; and
- (b) there shall be more than the actual number of Undivided Shares required for the City Retained Areas and Village Retained Areas, then the surplus number of Undivided Shares shall be deemed to be part of the Undivided Shares allocated to the City Common Areas and City Common Facilities and Village Common Areas and Village Common Facilities and the terms and conditions herein set out governing the same shall apply.

6. The said 55,000 Reserved Undivided Shares shall, in addition to the allocations above mentioned (if any) be allocated by the Registered Owner to such areas, including but not limited to the Service Area and the Other Units, and in the event they shall not be allocated or sub-allocated as aforesaid or in the event there shall, after such allocation or sub-allocation, be a surplus number of Reserved Undivided Shares, then the Reserved Undivided Shares or the surplus number of Reserve Undivided Shares shall be deemed to be part of the Undivided Shares allocated to the City Common Areas and City Common Facilities and Village Common Areas and Village Common Facilities and the terms and conditions set out herein governing the same shall apply to them.

7. The said 22,700 Undivided Shares allocated to the City Common Areas and City Common Facilities and Village Common Areas and Village Common Facilities and such number of the Reserve Undivided Shares as shall be unallocated as above provided shall be allocated by the Registered Owner to such City Common Areas and City Common Facilities and Village Common Areas and Village Common Facilities at the absolute discretion of the Registered Owner.

SECTION IV

MANAGEMENT OF THE CITY

A. General

1. The management of the City shall be undertaken by the Manager throughout the term of the lease agreed to be granted by the Conditions from the date of issue of the first Occupation Permit for any part of the City and each Owner hereby appoints the Manager irrevocably as Attorney to enforce the provisions of this Deed and any Sub-Deed of Mutual Covenant and each Owner hereby covenants not to enforce the terms of this Deed and any Sub-Deed of Mutual Covenant otherwise than through the Manager.
2. The Manager shall at all times be and remain Discovery Bay Services Management Limited Provided Always that in the event that Discovery Bay Services Management Limited is wound up or has a receiving order made against it then another manager shall be appointed in accordance with the provisions of Clause 18 of SECTION VII.
3. The Manager shall be bound by and shall observe and perform all of the conditions, duties and obligations herein and in any Sub-Deed of Mutual Covenant provided and shall have all of the rights and privileges herein or therein granted to the Manager.
4. The obligations of the Manager to provide management in respect of any part of the City shall commence from the date when an Occupation Permit has been issued in respect of such part.

B. Powers and Duties of Manager

1. During the said term the Manager will manage the City in a proper manner and in accordance with the Conditions and this Deed and any Sub-Deed of Mutual Covenant and, except as otherwise herein expressly provided, the Manager shall be responsible for and shall have full and unrestricted authority to do all such acts and things as may be necessary or requisite for the proper management of the City. Without in any way limiting the generality of the foregoing the Manager shall have the following duties :-
 - (1) At least once in every 7 years to employ a competent and qualified person or persons to inspect the entire City (save only the interior of the Residential or Commercial Units or Other Units) and the City Common Facilities and Village Common Facilities and to prepare a report of such inspection which report will be kept at the Manager's office in the City and will be open to inspection by all Owners and tenants of any part of the City and the Manager will furnish to any such Owner or tenant on request a copy of such report at a reasonable charge.

- (2) To put in hand and ensure the satisfactory completion of the work necessary to maintain any and every part of the City including (subject however to sub-clause (3) of this Clause) the interior of Residential and Commercial Units and other Units and City Common Areas and City Common Facilities and Village Common Areas and Village Common Facilities and City Retained Areas and Village Retained Areas so as to ensure that the same are maintained in a good, clean and safe condition at all times and for this purpose to employ reputable and competent contractors and workmen.
- (3) To ensure that all Owners or occupiers of the Residential and Commercial Units and Other Units maintain the Residential and Commercial Units and Other Units owned or occupied by them respectively in a satisfactory manner and if there be any default on the part of any such Owners or occupiers, to put in hand any necessary maintenance and to take all necessary steps to recover the cost therefor from the defaulting Owner or occupier.
- (4) To paint whitewash tile or otherwise treat as may be appropriate the exterior of all structures and the City and Village Common Areas and the City Retained Areas and Village Retained Areas at such intervals as the same may reasonably require to be done.
- (5) To replace any glass in the City and Village Common Areas and the City Retained Areas and Village Retained Areas that may be broken.
- (6) To keep all City and Village Common Areas and the City Retained Areas and Village Retained Areas well lighted.
- (7) To keep in good order and repair the ventilation of the enclosed City and Village Common Areas and the City Retained Areas and Village Retained Areas.
- (8) To keep the City and Village Common Areas and the City Retained Areas and Village Retained Areas in a clean sanitary and tidy condition.
- (9) To prevent any decaying, noisome, noxious, excrementitious or other refuse matter from being deposited on the City or Village or any part thereof and to remove all refuse from all parts of the city and the Village and arrange for its disposal at such regular intervals and to maintain either on or off the City refuse collection facilities.
- (10) To prevent the obstruction of all City and Village Common Areas and the City Retained Areas and Village Retained Areas and to remove any article or thing causing the obstruction.
- (11) To keep all the common sewers, drains, watercourses and pipes free and clear of obstructions.

- (12) To keep all City Common Facilities and Village Common Facilities in good condition and working order.
- (13) To keep all plant, machinery and equipment including but without limiting the generality of the foregoing, all lighting equipment, heating or cooling systems, (if any) water systems, sewage, public address systems (if any), fire fighting equipments, sprinkler systems, lifts, lift shafts and escalators (if any) in good condition and working order and, in the case of lifts, in accordance with any laws and regulations applicable thereto and whenever it shall be necessary or convenient so to do at the Manager's discretion to enter into contracts with third parties for the maintenance of any such plant, machinery or equipment.
- (14) To prevent so far as is possible any refuse or other matter being deposited, washed, eroded or falling from the City or the Village into any part of the sea or other roadculverts, sewers, drains, nullahs or other Government property and to remove any such matter therefrom and to ensure that no damage is done to any drains, waterways, water-courses, footpaths, sewers, nullahs, pipes, cables, wires, utility services or other works being in under over or adjacent to the Lot or any part thereof by reason of any maintenance or other works carried out by the Manager as herein provided and to make good any such damage.
- (15) To remove any structure, installation, signboard, sunshade, bracket, fitting or other things in or on the Buildings or other parts of the City or Village which have been erected in contravention of the terms of the Conditions and this Deed of Mutual Covenant and/or without the written permission of the Manager (or if such permission has been given upon the expiration or withdrawal of the same) and to demand and recover from the person by whom such structure or other thing as aforesaid was erected or installed the cost of such removal and the making good of any damages thereby caused.
- (16) To maintain fire fighting equipments and fire alarms and other fire services installations (if required by Government) and to comply with all requirements of the Fire Services Department and so far as may be possible, to maintain the City and each Village safe from fire hazards at all times.
- (17) To provide a security force, watchmen, porters, caretakers and such other staff as determined by the Manager in its absolute discretion and to provide and maintain security installations and so far as may be possible, to maintain security in the City and each Village at all times.

- (18) To manage, control and maintain within the City and the Village the parking of cars and other vehicles, the loading and unloading of goods, the flow of vehicular traffic, the car parking spaces, loading and unloading areas, bus terminals and taxi/hire car parking spaces.
- (19) To maintain and operate or contract for the maintenance and operation of the wireless and/or television aerials which serve the City or each Village.
- (20) To do all things which the Manager shall in its discretion deem necessary or desirable for the purposes of maintaining and improving all facilities and services in or on the City and each Village for the better enjoyment or use of the City and each Village by its Owners occupiers and their licensees.
- (21) To appoint solicitors with authority to accept service on behalf of all the Owners of all legal proceedings relating to the City and each Village or any part thereof and, in particular but without limiting the foregoing, in all proceedings in which the Crown or the Government of Hong Kong shall be a party and at all times within 7 days of being requested so to do by the said Director of other competent officer, to appoint a solicitor who shall undertake to accept service on behalf of all such Owners for the purpose of Order 10 Rule 1 of the Rules of the Supreme Court (or any provision amending or in substitution for the same).
- (22) To prevent any person from occupying or using otherwise than in accordance with the written permission of the Manager or the provisions of this Deed and any Sub-Deed of Mutual Covenant any of the City and Village Common Areas and the City Retained Areas and Village Retained Areas.
- (23) To take all steps necessary or expedient for complying with the Conditions and any statutory or governmental requirements concerning or relating to the City and each Village for which no Owner, tenant or occupier of the City and each Village is solely and directly responsible.
- (24) To prevent and to take action to remedy any breach by any Owner or other person of any provisions of the Conditions.
- (25) To prevent any person detrimentally altering or injuring any part of the Buildings, the City or each Village or any of the equipment, apparatus, services or facilities thereof.
- (26) To demand collect and receive all amounts payable by Owners under the provisions of this Deed of Mutual Covenant or any Sub-Deeds of Mutual Covenant.

- (27) To pay and discharge out of all monies so collected all outgoings relating to the management of the City and each Village or incurred by the Manager hereunder.
- (28) To insure and keep insured the City, each Village, the City Common Facilities and Village Common Facilities and all parts thereof including the Commercial and Residential Units and Other units against loss or damage by fire and such other risks or perils as deemed necessary by the Manager and to effect public and/or occupiers' liability insurance and workmen's compensation liability in such amounts as the Manager may think fit, such insurance to be in the name of the Manager for and on behalf of itself as Manager and the Owners according to their respective interests and to pay all premia required to keep such insurance policies in force.
- (29) To keep proper accounts of all expenditure incurred by and of all payments made to the Manager in respect of carrying out its duties hereunder as hereinafter provided.
- (30) To represent the Owners in all matters and dealings with Government or any utility or other competent authority or any other person whomsoever in any way touching or concerning the due management of the City.
- (31) To commence, conduct, carry on and defend legal and other proceedings touching or concerning the City and each Village or the management thereof all in the name of the Manager.
- (32) To enforce the due observance and performance by the Owners or any person occupying any part of the City or Village through under or with the consent of any such Owner of the terms and conditions of this Deed of Mutual Covenant and any Sub-Deed of Mutual Covenant and the City or Village Rules made hereunder and to take action including the commencement and conduct of legal proceedings to enforce the due observance and performance thereof and/or to recover damages for any breach non-observance or non-performance thereof and the registration and enforcement of charges as hereinafter mentioned.
- (33) To make, revoke or amend City Rules and Village Rules as hereinafter provided.
- (34) To disconnect any services to any Residential or Commercial Unit and Other Unit of any Owner who defaults in payment of any amounts due under the provisions of this Deed or otherwise fails to observe and perform any of the terms and conditions herein contained upon giving 7 days notice to such Owner or occupier and to forbid the persons in occupation of such Residential or

Commercial Unit or Other Unit the use of the lifts and other services and amenities of the Village or the City until such breach has been rectified.

- (35) To post the name of any Owner in default or in breach of the terms and conditions of this Deed as aforesaid together with particulars of the default or breach on the notice boards and/or other prominent spaces within the City or the Village.
- (36) To recruit and employ such staff as may from time to time be necessary to enable the Manager to comply with its duties hereunder on such terms as the Manager shall in its absolute discretion decide and to provide accommodation, uniforms, working clothes, tools, appliances, cleaning and other materials and all equipment necessary therefor.
- (37) To deal with all enquiries, complaints, reports and correspondence relating to the City or the Village.
- (38) To provide and maintain in respect of the City or the Village promotions, advertising, public relations and general publicity as deemed necessary by the Manager.
- (39) To grant franchises, leases, tenancy agreements and licences to other persons to use such of the City and Village Common Areas and/or city and Village Common Facilities and on such terms and conditions as the Manager shall in its absolute discretion think fit PROVIDED THAT all income arising therefrom shall be a part of the Management Funds.
- (40) To do all such other things as are reasonably incidental to the management of the City in accordance with the Conditions or for the common benefit of the Owners.

The Manager shall have power from time to time :-

- (a) to make, revoke and amend City Rules :-
 - (i) regulating the use occupation, maintenance and environmental control of the City and any of Buildings, structures, facilities, services or amenities thereof and the conduct of person occupying using or visiting the same, and
 - (ii) regarding any matter or thing which the Manager is empowered to do pursuant to these presents; and
- (b) to make, revoke and amend Village Rules regulating the use, operation and maintenance of any Village and any services facilities or amenities thereof and the conduct of persons occupying, using or visiting the same;

and such City Rules shall be binding on all of the Owners of the City and their tenants, licensees, servants or agents and such Village Rules shall be

binding on all Owners of Residential and Commercial Units situate in the Village to which such Village Rules apply, their tenants, licensees, servants or agents. A copy of the City Rules and Village Rules from time to time in force shall be posted on the public notice board in the City and/or the Village and a copy thereof shall be supplied to each Owner on request free of charge.

3. All acts and decisions of the Manager arrived at in accordance with the provisions of this Deed of Mutual Covenant and any Sub-Deeds of Mutual Covenant in respect of any of the matters aforesaid shall be binding in all respects on all the Owners for the time being.

4. Neither the Manager nor any servant agent or other person employed by the Manager shall be liable to the Owner or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance or purported pursuance of the provisions of this Deed of Mutual Covenant and any Sub-Deed of Mutual Covenant not being an act or omission involving criminal liability or dishonesty or wilful negligence and the Owners shall fully and effectually indemnify the Manager and all such persons from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with the management of the City the Village and the Buildings or any act, deed, matter or thing done or omitted as aforesaid and all costs and expenses in connection therewith and not involving criminal liability, dishonesty or wilful negligence on the part of the Manager or any such person or persons aforesaid.

5. The Manager shall have power to commence proceedings for the purpose of enforcing the observance and performance by any Owner or any person occupying any part of the City through, under or with the consent of any such Owner of the covenants, conditions and provisions of this Deed of Mutual Covenant and any Sub-Deed of Mutual Covenant and of the City and Village Rules made hereunder and of recovering damages for the breach, non-observance or non-performance thereof. The provisions of Clause 3 of Sub-Section E of this Section shall apply to all such proceedings.

6. The Manager shall have power :-

- (a) to limit the number and type of Vehicles within the Lot to such number as the Manager shall in its absolute discretion think fit,
- (b) to license annually any Vehicle so permitted on payment of such fee and on such condition as may from time to time be prescribed by the City Rules,

- (c) to ban Vehicles or any particular category of Vehicles from the Lot or any particular parts of the Passageways either generally or during certain hours of the day or night,
- (d) to designate any part of the City Common Areas or Passageways for the parking of Vehicles or particular classes of Vehicles,
- (e) to control the parking of Vehicles,
- (f) to impose such parking fees for the parking of Vehicles on any designated areas as may be prescribed by the City Rules,
- (g) to remove any Vehicle parked anywhere on the City Common Areas or the Major Roads or Passageways not so designated or which shall cause an obstruction or who has defaulted in paying parking fees and any damage caused to such Vehicles during or as a consequence of such removal shall be the sole responsibility of the owner thereof,
- (h) to impose charges for any such removal and recover such penalties on default in payment of parking fees and to exercise a lien on the Vehicle concerned for such charges penalties and parking fees,
- (i) to designate any Passageways to be one way streets, to erect traffic signs similar to those in use in Hong Kong at present and to lay down zebra crossings, speed limits and the like,
- (j) to revoke any licence granted for cause and cause shall be liberally construed as including non-payment of charges, penalties and parking fees or failure to obey traffic signs or repeated breaches of the City Rules relative to the control of Vehicles.

7. The Manager shall have the right to require the owner of the Vehicle concerned to remove any Vehicle brought onto the Lot without its prior licence or the licence in respect of which has expired or been revoked and in default of compliance to obtain a Court Order for removal from the Lot of the Vehicle concerned.

8. The Manager shall have the right to permit the use of bus bays and terminals taxi ranks and other portions of the Passageways and piers on such terms and conditions as the Manager shall in its absolute discretion think fit.

9. (a) The Manager shall have the right to charge the Owners for the use of fresh and sea water supplied at such rates as are from time to time determined by the Manager in its absolute discretion Provided such charges shall be part of the Management Funds.

(b) The Manager shall have power from time to time to make rules and regulations governing the supply and use of fresh and salt water to all Buildings on the Lot, the payment and recovery of charges for installation, disconnection, reconnection and readings of meter, damage to meters and default interest to a like extent as are from time to time made by Government.

(c) The Manager shall have the right with or without workmen to enter upon any part of the Lot or any of the Buildings necessary for the purpose of replacing repairing and maintaining any of the salt or fresh water mains and pipes serving any part of the Lot whether or not the same belong exclusively to any one Unit and to charge the owner the costs of repairs and/or replacement.

(d) The Manager shall have the right with or without workmen to enter into any Residential or Commercial Unit or Other Unit for the purpose of inspecting the toilet and to replace or repair any part or parts of a toilet which shall leak and to charge the owner thereof the costs of repairs and/or replacement.

C. Manager's Remuneration

1. The Manager's Remuneration being the monthly remuneration of the Manager shall be such an amount as shall in the discretion of the Manager be deemed reasonable Provided that it shall not exceed 5% of the total expenditure for the total management costs of the City and the Village and the Car Parking Spaces which amount shall be subject to increase upon the Manager giving to such Owners not less than two months previous notice in writing in that behalf Provided that increases shall be no more than twenty per cent (20%) of the remuneration payable immediately before the increase takes effect and Provided that no increase shall take effect until at least six months have elapsed since any previous increase.

2. The Manager's Remuneration as aforesaid shall not be subject to any requirement by the Manager to disburse or provide from such money any staff, facilities, accountancy services, or other professional supervision the cost for which shall be a direct charge upon the Management Funds.

3. The Manager's Remuneration shall be paid by the Owners in advance on the first day of each month.

D. Management Expenses

1. For the purpose of fixing the contributions payable by the Owners of the City and each Village, the Manager shall prepare :-

- (a) an annual budget showing the estimated expenditure in respect of each Village other than the car parks therein;
- (b) an annual budget showing the net estimated expenditure in respect of the City other than the car parks therein;

after taking into account estimated receipts towards the Management Funds other than in regard to car parks therein as provided by these presents.

2. The said budgets shall cover all costs expenses and outgoings incurred in relation to the management of the Village and the City whether the Manager be obliged hereunder to incur such expenditure or not and including but without limiting the generality of the foregoing the following items :-

- (a) Crown Rent and all sums payable under the conditions.
- (b) The cost of carrying out all or any of the duties of the Manager set out in Section IV Sub-Section B Clause 1 of this Deed of Mutual Covenant.
- (c) The cost of carrying out all or any of the duties of the Manager set out in the Sub-Deeds of Mutual Covenants governing the Village.
- (d) The cost of purchasing or hiring all necessary plant equipment and machinery including road vehicles.
- (e) The cost of employing staff to administer the management of the City and the Village.
- (f) Any rent or other sum payable for the use of any buildings or other parts of the City and/or Village for management or administrative offices or for accommodation for any staff employed by it in connection with the management of the City and the Village.
- (g) All reasonable professional fees and costs incurred by the Manager including
 - (i) Fees and costs of surveyors, rating surveyors, valuers, architects, engineers and other employed in connection with the management, maintenance and improvement of the City and the Village.
 - (ii) Solicitors and other legal fees and costs.
 - (iii) Fees and costs of any accountants, auditors and/or any other consultants employed in connection with the Accounts or the Manager's Statements as hereinafter referred to.
- (h) All water, gas, electricity, telephone and other service charge except where the same is separately metered to individual Residential or Commercial Units.
- (i) The cost of all fuel and oil incurred in connection with the operation of the plant, equipment, machinery and vehicles provided by the Manager for the benefit of the City or the Village or any part thereof.
- (j) The cost of providing and operating emergency generators and the cost of providing emergency lighting of the City and the Village.
- (k) The cost of effecting insurance in respect of or in connection with the management of the City and the Village.
- (l) All charges, assessments, impositions and other outgoings payable by the Owners in respect of all parts of the City Common Areas and Village Common Areas.
- (m) The cost of postage, stationery and other sundry item incurred by the Manager in connection with the management of the City and the Village.

- (n) the cost of maintaining in good order and repair
 - (i) the fresh water reservoirs on the Lot in accordance with the Master Plans,
 - (ii) the dam on the Lot in accordance with the Master Plans,
 - (iii) the tunnel on the Lot in accordance with the Master Plans,
 - (iv) the works and pumping stations necessary for the treatment and supply of fresh water to the Buildings on the Lot.
 - (v) the works and pumping stations necessary for the treatment and supply of salt water for flushing purposes to the Buildings on the Lot.
 - (vi) sewage treatment plant and pumping stations.
 - (vii) all pipes, cables and any other facilities related to the provisions of services within the Lot.
- (o) The creation of a Reserve Fund adequate for replacement of capital items and extraordinary expenses not already provided for herein.
- (p) Any other expenditures which are in the absolute discretion of the Manager necessary for the good estate management of the City Common Areas and City Common Facilities and Village Common Areas and Village Common Facilities.

3. Where any expenditure relates principally to the City Common Areas or City Common Facilities providing service to the City or any part or parts thereof (and whether it so relates shall be exclusively decided by the Manager) the expenditure shall form part of the Management Expenses of the City and be borne by the Owners accordingly.

4. Where any expenditure relates principally to the Village Common Areas or the Village Common Facilities providing service to a Village or any part or parts thereof (and whether it so relates shall be exclusively decided by the Manager) the expenditure shall form part of the expenditure of that Village and shall be borne by the Owners of Residential Units and Commercial Units in that Village.

5. The Manager shall have the sole right to decide and allocate the expenditure mentioned in Clause 2 of this Section D as between Management Expenses of the City and Management Expenses of the Village and provided such decision and allocation is made in good faith the same shall be binding save for manifest error on the Owners.

6. The Manager shall also prepare an annual budget showing the estimated budget in respect of the car parking spaces (where applicable and the Manager's decision to prepare such budget in respect of any car parking spaces shall be final) which shall include but not limited to lighting, cleaning, repairing and security for the same and shall take into account such

revenues from such car parking spaces as are received by the Manager as part of the Funds. The Owner of a car parking space shall contribute a due proportion towards the management expenses in respect of the car parking spaces where a budget has been prepared as aforesaid, which due proportion shall be in proportion to the total number of car parking spaces covered by such budget.

7. (a) Management Units will be allocated to all Residential and Commercial Units according to the GBA of each such unit as soon as the same is completed and developed.

(b) Management Units will also be allocated to the Clubs according to the GBA of each club house building as soon as it is completed and developed (excluding the grounds connected to the Clubs) and in the event the Club house buildings shall be extended or reduced, the number of Management Units allocated as aforesaid shall similarly be increased or reduced.

(c) So long as any part or parts of the City is or are undeveloped for any reason whatsoever, that part or parts of the City shall not be allocated any Management Units until the same is completed and developed.

8. (a) 10 Management Units will be allocated to the school upon its completion.

(b) Without prejudice to Clause 10 hereof, no Management Units will be allocated to structures on the Service Area.

9. The management expenses of the City shall be allocated to each Village in the ratio produced when the sum of the Management Units allocated to each Village is divided by the sum of the Management Units of all the Villages or parts thereof for which an occupation permit has been issued in the financial year in question or any part thereof.

10. The Manager shall collect from licensees, tenants and other occupiers of land and buildings within the Lot not otherwise required to pay management expenses under this Deed or the Sub-Deeds such sum or sums as the Manager shall in his absolute discretion determine and such sum or sums collected shall form part of the Management Funds.

11. The Owner of a Residential Unit or Commercial Unit or Other Unit shall in addition contribute towards the Management Expenses of the Village of which his particular Residential Unit or Commercial Unit or Other Unit forms part in accordance with the terms and conditions laid down in the Sub-Deed of Mutual Covenant governing that Village.

12. Notwithstanding anything to the contrary contained in these presents where any expenditure relates solely to or is solely for the benefit of any Residential Unit or any Commercial Unit or any Other Unit and no Owner of any other Residential Unit or Commercial Unit or Other Unit would receive any material benefit therefrom the full amount of such expenditure shall be paid by the Owner of that Residential Unit or Commercial Unit or Other Unit

PROVIDED HOWEVER that in the case of any single item of expenditure not exceeding \$5,000.00 the Manager may in its absolute discretion exclude the application of this Clause 12 with regard to such expenditure and such expenditure may in any such circumstances be treated as part of the Management Expenses of the Village in which such Residential Unit or Commercial Unit or Other Unit is situate.

13. Notwithstanding anything to the contrary hereinbefore contained the Management Expenses of the City shall not include any sum attributable or relating to the cost of completing the construction of the City or any part thereof including but without limiting the generality of the foregoing the cost of constructing any additional building and installing any equipment, apparatus or services (other than those deemed essential and necessary by the Manager for the management of the City) or the laying out of roads on or over the Lot or the City all of which sums shall be borne solely by the Registered Owner.

14 Notwithstanding anything to the contrary contained in these presents where the Manager acquires Undivided Shares in the Lot and the City pursuant to the provisions of this Deed of Mutual Covenant or any Sub-Deed of Mutual Covenant and the receipts by the Manager in respect of the ownership of such Undivided Shares and Domestic Units and Commercial Units or Other Units held therewith are included in the Management Funds then the reference to "Owners" in this Section shall be deemed to exclude the Manager.

15. Each Owner shall pay to the Manager an advance payment equal to 1/12th of the total budgeted Management Expenses of the City and of the Village and where applicable of the Car Park management expenses and of Manager's Remuneration for that year payable by that Owner as provided by this Deed and applicable Sub-Deed of Mutual Covenant on the first day of each calendar month (hereinafter called "the Advance Payment") PROVIDED ALWAYS :-

- (a) that where at any time any budgets which include amounts estimated to be payable by that Owner are revised there shall be added to or deducted from the amount of the Advance Payment payable after such budget revision an amount equal to the Owner's share of the difference between the total Management Expenses of the City and the Village (and where applicable the car park management expenses) and Manager's Remuneration payable by that Owner shown in the budget in effect prior to such budget revision and the total such Management Expenses and Manager's Remuneration payable by that Owner shown in such revised budget divided by the number of complete months from the date of such revised budget to the end of then current financial year.

- (b) that on the first day of the month immediately following the close of any financial year and before the Manager's budgets for the then current financial year shall have been prepared there shall be paid on account of the Advance Payment for that month an amount equal to the Advance Payment payable for the last month of the preceding financial year by that Owner; and
- (c) that there shall be added to or deducted from the Advance Payment payable on the first day of the second month immediately following the close of any financial year :-
 - (i) that the difference, if any, between the amount of the Advance Payment payable in respect of the first month of that financial year by that Owner and the amount paid on account as provided in sub-clause (b) above, and
 - (ii) that the difference, if any, between (1) the total Management Expenses and Manager's Remuneration payable in respect of the preceding financial year plus an amount determined by the Manager to be payable by that Owner pursuant to Clause 7 of this Section D and (2) the total Advance Payments made by that Owner in respect of the preceding financial year.

if after making the adjustments as aforesaid there is a balance due by the Owner to the Manager, the same shall be carried forward and paid with the next Advance Payment payable by that Owner.

E. Security for and Recovery of Moneys Due to the Manager

1. Each Owner shall deposit with the Manager as security for the due payment of all amounts which may be or become payable by him under this Deed of Mutual Covenant and any Sub-Deed of Mutual Covenant a sum equal to 3/12th of the total budgeted Management Expenses of the City and the Village and where applicable the car park management expenses and Manager's Remuneration for the Property of which he is the Owner.

2. If any Owner shall fail to pay any amount payable hereunder or under any Sub-Deed of Mutual Covenant within 30 days of the date on which the demand is made as aforesaid he shall further pay to the Manager :-

- (1) Interest calculated at the rate of \$1.50 for each \$100 or part thereof remaining unpaid for each period of 30 days or part thereof for which it remains unpaid.
- (2) Such collection charge as the Manager shall decide to cover the cost (other than legal costs of proceedings as hereinafter mentioned) of the extra work occasioned by the default.

3. All amounts which become payable by any Owner in accordance with the provisions of this Deed of Mutual Covenant or the Sub-Deed of Mutual Covenant together with interest thereon as aforesaid and the said collection charge and all damage claimed for breach of any of the provisions of this Deed of Mutual Covenant and the Sub-Deed of Mutual Covenant and all other expenses incurred in or in connection with recovering or attempting to recover the same shall be recoverable by civil action at the suit of the Manager (and the claim in any such action may include a claim for the solicitor and own client costs of the Manager in such action and the defaulting Owner shall in addition to the amount claimed in such action be liable for such costs). In any such action the Manager shall conclusively be deemed to be acting as the agent or agents for and on behalf of the Owners as a whole and no Owner sued under the provisions of this Deed of Mutual Covenant or the Sub-Deed of Mutual Covenant shall raise or be entitled to raise any defence of want of authority or take objection to the right of the Manager as plaintiff to sue or to recover such amounts as may be found to be due.

4. In the event of any Owner failing to pay any sum due and payable by him in accordance with the provisions of this Deed of Mutual Covenant or the Sub-Deed of Mutual Covenant or failing to pay any damages awarded by any court for breach of any of the terms or conditions of this Deed of Mutual Covenant or the Sub-Deed of Mutual Covenant within 30 days of the date on which the same became payable, the amount thereof together with interest as aforesaid and the said collection charge and all costs and expenses which may be incurred in recovering or attempting to recover the same including the legal expenses referred to in Clause 3 of this Sub-Section and in registering the charge hereinafter referred to, shall stand charged on the Undivided Shares of the defaulting Owner and the Manager shall be entitled without prejudice to any other remedy hereunder to register a Memorial of such charge in the said District Land Office against the Undivided Shares of the defaulting Owner and the Residential Unit or Commercial Unit or Other Unit held therewith. Such charge shall remain valid and enforceable as hereinafter mentioned notwithstanding that judgement has been obtained for the amount thereof unless and until such judgement has been satisfied.

5. Any charge registered in accordance with the last preceding paragraph shall be enforceable as an equitable charge by action at the suit of the Manager for an Order for sale of the Undivided Shares of the defaulting owner together with the right to the exclusive use, occupation and enjoyment of the Residential Unit Commercial Unit or Other Unit held therewith and the provisions of Clause 3 of this Sub-Section shall apply equally to any such action. Any such equitable charge shall rank in priority to any legal or equitable charge given or made by the Owner in respect of such Undivided Shares and the Residential Unit Commercial Unit or Other Unit held therewith

notwithstanding that such other charge shall have been created and registered prior to such equitable charge.

6. The Manager shall further have power to commence proceedings for the purpose of enforcing the observance and performance by any Owner and any person occupying any Residential Unit or Commercial Unit or Other Unit through under or with the consent of any such Owner of the covenants, conditions and provisions of this Deed and any Sub-Deed of Mutual Covenant binding on such owner and of the City Rules and Village Rules made hereunder or thereunder and of recovering damages for the breach non-observance or non-performance thereof. The provisions of Clause 3 of this Sub-Section shall apply to all such proceedings.

7. The Manager shall have all the powers of a Corporation Incorporated under the Multi-storey Buildings (Owners Incorporation) Ordinance insofar as it may lawfully exercise such powers.

F. Application of Monies Received by the Manager.

1. Subject to SECTION V hereof all insurance moneys, compensation received or damages recovered by the Manager in respect of any damage or loss suffered in respect of any part of the City shall be expended by the Manager in the repair, rebuilding or reinstatement of that part of the City.

2. Where any insurance moneys, compensation, damages, costs and expenses or refunds are received or recovered (as the case may be) by the Manager in respect of any matter or thing for which any claim has been made against the Owners or any of them as provided in Sub-Section E of SECTION IV hereof the same shall, after deduction of any costs or expenses incurred by the Manager in recovering the same, be credited to the accounts of those Owners against which a claim has been made in the same proportion as such claim.

3. All moneys paid to the Manager by way of interest and collection charges shall be applied towards the Management Expenses of the City in such manner as the Manager may from time to time decide.

G. Owner's Interest in Management Funds

Any person ceasing to be the Owner of any Undivided Shares in the Lot and the City shall in respect of the Undivided Shares of which he ceases to be the Owner thereupon cease to have any interest in the funds held by the Manager including the deposit paid under Clause 1 of Sub-Section E of this Section or in any Undivided Shares assigned to the Manager under Clause 8(g) of Section I to the intent that all such Undivided Shares or funds shall be held and applied for the management of the City irrespective of changes in ownership of the Undivided Shares in the Lot and the City PROVIDED that any such deposit may be transferred into the name of the new Owner of such

Undivided Shares AND PROVIDED further that upon the Lot reverting to the Crown and no renewal of the Crown Lease or further Crown Lease being obtainable or upon the rights and obligations hereunder being extinguished as provided in SECTION V hereof any balance of the said funds or in the case of extinguishment of rights and obligations as aforesaid an appropriate part of the said funds shall be divided proportionately between the Owners of the Undivided Shares immediately prior to such reversion or in the case of extinguishment of rights and obligations as aforesaid between the Owners whose rights and obligations are extinguished.

H. Management Records and Accounts

1. The financial year for the purpose of management of any particular Village shall commence on the day on which the Occupation Permit of the first completed Residential Unit or Commercial Unit or Other Unit in that particular Village is issued and shall terminate on the 31st day of December of the following year but thereafter the financial year shall commence on the 1st day of January and shall terminate on the 31st day of December of that year Provided Always that the Manager shall have the right to change the financial year at any time upon giving notice in writing to the Owners.
2. All monies collected by the Manager in the exercise of its powers and duties hereunder (save and except sufficient petty cash for day to day requirements) shall be paid into a separate bank account or accounts in the name of the Manager.
3. The Manager shall keep true and proper accounts of all monies received in the exercise of its power and duties hereunder and all expenditure thereof.
4. Within 21 days of the end of each quarter the Manager shall prepare a detailed summary of all accounts.
5. Within 180 days after the close of each financial year the Manager shall prepare annual accounts in respect of the preceding financial year which accounts will comprise a set of accounts for the entire management of the City and a set of accounts for the management of each Village which accounts will be certified by the Auditors appointed under Clause 6 below as providing an accurate summary of all items of income and expenditure during that preceding financial year.
6. The Manager shall appoint a firm of certified public accountants to audit the accounts and records of the Manager and to certify the annual accounts as hereinbefore provided. The Manager may revoke the appointment of such firm and appoint another firm in its place at any time as it may deem necessary.
7. (a) Within 42 days after the close of each financial year the Manager shall prepare budgets for the then current financial year which budgets shall

include all sums which in the opinion of the Manager will be necessary to meet the Management Expenses for the then current financial year and shall include an amount for contingencies.

(b) The first budgets shall be prepared by the Manager prior to the date of issue of the first Occupation Permit for the City and the Village and will be for the period from the date of issue of the first Occupation Permit as aforesaid until the 31st of December of the following year.

(c) In the event that the Manager is of the opinion that any of the budgeted sums for the then current financial year are insufficient to cover all expenditure which falls to be included in that budget it may prepare a revised budget or budgets.

8. The Manager shall upon request and upon payment of a reasonable charge for copying the same send to each Owner a copy of such of the annual accounts, annual budgets, revised budgets or monthly accounts at any time after the same shall have been prepared as herein provided.

9. The Manager shall upon reasonable notice permit the City and Village Owners' Committees referred to in Recital (1) (a) hereof to inspect any of the accounts prepared pursuant to Clause 7 of this Sub-Section H.

I. Manager's Statement

1. Within 180 days after the close of each financial year the Manager shall prepare and send to each Owner a Manager's Statement which statement shall set out the following :-

- (a) the total amount of the Manager's Remuneration payable by that Owner in respect of the preceding financial year;
- (b) The total amount of City Management Expenses payable by that owner in respect of the preceding financial year;
- (c) The total amount of Village Management Expenses payable by that Owner in respect of the preceding financial year;
- (d) The total amount of Car Parks management expenses (if any) payable by that Owner in respect of the preceding financial year;
- (e) The total amount of interest or recovery costs or any other amounts which are herein provided payable by that Owner in respect of the preceding financial year;
- (f) The total amount paid by that Owner during the preceding financial year;
- (g) The balance found to be payable or over paid as the case may be from the foregoing amounts in respect of the preceding financial year;
- (h) The total amount of City Management Expenses budgeted to be payable by that Owner in respect of the then current financial year;

- (i) The total amount of Village Management Expenses budgeted to be payable by that Owner in respect of the then current financial year;
- (j) The total amount of Car Parks Management Expenses budgeted to be payable by that Owner in respect of the then current financial year (if any);
- (k) The amount of the Advance Payments to be made by that Owner in the then current year.

2. In the event that the annual budgets are revised at any time as herein provided the Manager shall prepare and send to each Owner thereby affected a revised Manager's Statement showing the revised figures for the then current year and the revised Advance Payments to be paid by that Owner in the then remaining part of the then current financial year.

SECTION V

EXTINGUISHMENT OF RIGHTS UNDER THIS DEED

1. In the event of any Building in the City being so damaged by fire, typhoon, earthquake, subsidence or other cause so as to render the same substantially unfit for habitation, the Manager shall convene a meeting of the Owners of the Residential Units and/or Commercial Units in that Building and such meeting may resolve by a 75% majority of the Owners present and voting that by reason of insufficiency of insurance monies, changes in building law and/or regulations or any other circumstances whatsoever, it is not practicable to reinstate and rebuild such Building then in such event the Undivided Shares in the Lot and the City representing the Residential Units and/or Commercial Units in such Building shall be acquired by the Manager and the Owners of such Undivided Shares shall in such event be obliged to assign the same and all rights and appurtenances thereto to the Manager upon trust to forthwith dispose of the same by public auction and to distribute the net proceeds of sale amongst the Owners of such Undivided Shares in proportion to the respective Undivided Shares previously held by such former Owners. All insurance moneys received in respect of any policy of insurance on such Building shall likewise be distributed amongst such former Owners. In such event all the rights privileges obligations and covenants of such former Owners under this Deed of Mutual Covenant or any Sub-Deed of Mutual Covenant shall be extinguished so far as the same relate to such former Owners of that Building.

2. The following provisions shall apply to a meeting convened by the Manager as provided in Clause 1 of this SECTION V.

- (a) a meeting shall not proceed unless a quorum is present. A quorum shall consist of Owners of Residential Units and/or Commercial Units in that Building in whom not less than 50% of the Undivided Shares allocated to that Building are vested. If within half an hour from the time appointed for the meeting a quorum be not present the meeting shall stand adjourned to the same time and day in the next week and at the same place and if at such adjourned meeting a quorum be not present the Owner present shall be deemed to be a quorum,
- (b) the Manager shall preside at such meeting,

- (c) a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least one Owner entitled to be present and present at the meeting. A poll if demanded shall be taken at such time and in such manner as the Manager shall direct,
- (d) on a show of hands every Owner entitled to be present and present at the meeting shall have one vote. In case of a poll every Owner of a Residential Unit or Commercial Unit in that Building shall have one vote for every Undivided Share held by him.

SECTION VI

MAJOR REPAIRS TO CITY COMMON AREAS AND FACILITIES

1. Where any of the City Common Areas and/or City Common Facilities has been extensively damaged or where the Inspection Report mentioned in Clause 1 (1) of Sub-Section B of SECTION IV of this Deed of Mutual Covenant discloses that certain major repairs to the City Common Areas and City Common Facilities are necessary, the Manager shall immediately after having notice thereof put in hand and ensure the satisfactory completion of the works necessary to restore the damaged part or parts to a safe condition.
2. The Manager shall pay for the works initially out of the Management Funds and to recover the same from the insurance company.
3. If the sums recovered from the insurance company are insufficient, the Manager shall recover the deficit from the Owners as part of the Management Expenses in accordance with the provisions of this Deed.
4. If the sums in the Management Funds are insufficient to pay for the works, the Manager shall be entitled to borrow such sum or sums as are necessary on the security of the City Common areas and City Common Facilities City Retained Areas and Village Retained Areas excluding the areas and facilities specified in the Conditions as "Reserved Portion" and "Minimum Facilities" and to repay the loan and to pay interest thereon out of the Management Expenses.
5. If the Manager shall be unable to raise a loan to pay for the works, then the Manager shall be entitled to raise the sum necessary from the Owners in manner set out in SECTION VII of this Deed.
6. Nothing herein stated shall prevent the Manager from instituting legal proceedings against the person responsible for the damage.

SECTION VII

CITY OWNERS' COMMITTEE

1. There may be established a City Owner's Committee (hereinafter referred to as "the Committee") which shall hold its meetings not less than four times a year (though a lesser number of meetings shall be permissible for the year in which the initial Occupation Permit is granted).
2. The Members of the Committee shall consist of
 - (a) The Chairman or in his absence the Vice-Chairman of each Village Owner's Committee.
 - (b) One representative of the Hotel appointed from time to time in writing by the Hotel.
 - (c) One representative of the School appointed from time to time in writing by the School.
 - (d) One representative of the Clubs appointed from time to time by the Clubs.
 - (e) Two representatives of the Manager appointed from time to time in writing by the Manager.
 - (f) Two representatives of the Registered Owner appointed from time to time in writing by the Registered Owner.
3. The Committee shall also meet whenever requested by the Manager.
4. The meetings of the Committee shall be convened by the Manager by at least 7 days' notice in writing specifying the time and place of the Meetings and the subjects to be discussed.
5. One fifth of the total number of the Committee may request the Manager to convene a Meeting at any time.
6. No business shall be transacted at any time unless a quorum is present when the Meeting proceeds to business and not less than one fifth of the total number of the committee shall be a quorum.
7. The members of the Committee present at the First Meeting of the Committee shall choose one of their number to be the Chairman and he shall be Chairman until the next Annual General Meeting. Thereafter the Chairman shall be chosen by the members of the Committee as aforesaid at the first meeting of the Committee held in any calendar year. In the absence of the Chairman, the members of the Committee present at any meeting duly convened shall choose one of their number to be the Chairman of that Meeting.
8. The Manager shall send a secretary to the Meeting who shall cause a record of the persons present at the Meeting and the proceedings thereof to be kept.
9. All resolutions passed at such Meetings shall be binding on all the Owners but such resolutions are not binding on the Manager.

10. A resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least two members of the Committee entitled to be present and present at the Meeting. A poll, if demanded, shall be taken at such time and in such manner as the Manager shall direct.

11. On a show of hands every member of the Committee present at the Meeting shall have one vote. In case of a poll every member of the Committee shall have one vote for every Undivided Shares representing Residential Units and Commercial Units and Other Units in the Village which he represents on the Committee and the representative of the school shall have one vote for every Undivided Share representing the School and the representative of the Clubs shall have one vote for every Undivided Share representing the Clubs and the representatives of the Manager and the Registered Owner shall collectively have one vote for every Undivided Share held by the Manager and/or the Registered Owner.

12. In the case of an equality of votes the Chairman shall have a second or casting vote.

13. The function of the Committee shall be limited to representing the Owners of the City in all dealings with the Manager, to make suggestions for the amendment, deletion or addition to the City Rules and undertaking such other duties as the Manager may delegate to the Committee.

14. The Committee and the members thereof shall not be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance or in purported pursuance of the provisions of this Deed or any Sub-Deed of Mutual Covenant not being an act or omission involving criminal liability or dishonesty or wilful negligence by or on the part of any or all of the Committee and the Owners shall fully and effectually indemnify the Committee from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with any act, deed, matter or thing done or omitted as aforesaid and all costs and expenses in connection therewith and not involving criminal liability, dishonesty or wilful negligence on the part of the Committee or the members thereof.

15. No remuneration shall be payable to the Committee or any member thereof but such members shall be entitled to be reimbursed for all out-of-pocket expenses necessarily incurred in carrying out their duties.

16. A member of the Committee shall hold office until :-

- (a) He ceases to be the Chairman of the Village Owners' Committee which he represents or the representative of the School or the representative of the Clubs or the representative of the Hotel or representatives of the Manager or the Registered Owner by whom he

was appointed;

- (b) In the event provided for in sub-paragraph (a) aforesaid or death, the Village Owners' Committee shall elect a new Chairman who shall ipso facto be the representative of that Village on the Committee to fill the vacancy thereby created.
 - (c) In the event provided for in sub-paragraph (a) aforesaid or death, the Manager (in the event of the member concerned having been appointed by the Manager) or the Registered Owner (in the event of the member concerned having been appointed by the Registered Owner) of the Clubs (in the event of the member concerned having been appointed by the Clubs or the School (in the event of the member concerned having been appointed by the Hotel) shall appoint a representative who shall be the representatives of the Manager or the Registered Owner or the Clubs or the School or the Hotel to fill the vacancy thereby created.
17. (a) The Committee shall cause to be kept records and minutes :-
- (i) the appointment and vacation of appointments of all its members and the secretary and all changes therein;
 - (ii) all resolutions and proceedings of the Committee;
 - (iii) the members present at all Meetings.
- (b) Such records and minutes shall be kept in such place as the Committee may from time to time determine and shall be open to inspection by any member of the Committee or any Owner on reasonable notice being given. Any such person shall also be entitled to extracts thereof on paying the reasonable charges therefor.
18. In the event the Manager shall be wound up or a Receiving Order made against it, the Committee shall have power to and shall immediately thereafter appoint another permanent manager in his stead with the prior written concurrence of the said Secretary and the proviso to Clause 8(g) of SECTION I shall apply.

SECTION VIII

MISCELLANEOUS

1. No person shall after ceasing to be an Owner of any Undivided Shares be liable for any debts, liabilities or obligations under the covenants, terms and conditions of this Deed of Mutual Covenant and any Sub-Deed of Mutual Covenant in respect of such Undivided Shares and/or the part of the City held therewith save and except in respect of any breach non-observance or non-performance by such person of any such covenant or term or condition prior to his ceasing to be the Owner thereof.
2. Each Owner shall upon written request of the Manager notify the name and address of the person authorised by him to accept service of process.
3. All notices or demands required to be served hereunder shall be sufficiently served if addressed to the party intended to receive the same and sent by pre-paid post to or left at the last address (if any) of such Owner notified to the Manager or if a copy is also left at or sent to the Residential or Commercial Unit or Other Unit of which the party to be served is the Owner notwithstanding that such party is not personally occupying the same Provided However that where notices are to be given to an Owner who is a mortgagee such notice shall be served on the mortgagee if a company at its registered office or last known place of business in Hong Kong and if an individual at its last known residence. All notices required to be given to the Manager shall be properly served if sent to the registered office of the Manager or left at the Manager's office in the City.
4. In consideration of the Mortgagee having entered into these presents in its capacity as the Mortgagee of Undivided Shares of and in the Lot and the City, the Registered Owner shall fully observe and perform all the covenants herein contained to be observed and performed by the Registered Owner and the Mortgagee while the Registered Owner retains any share or interest in any part of the said Lot and the said City under the said Mortgages and Further Charges and shall also duly pay all sums of money payable under the said Mortgages and Further Charges to the Mortgagee and shall further keep the Mortgagee indemnified against the non-observance and non-performance of the said covenants and non-payment of the said sums of money or any of them.

5. Further in the event of the Mortgagee entering into possession of those part of the City which may still be subject from time to time to the said Mortgages and Further Charges or exercising its power of sale thereunder the Mortgagee or its assignee pursuant to any such sale shall be entitled to exercise the rights given to the Registered Owner pursuant to this Deed of Mutual Covenant but shall not be subject to any of the obligations imposed on the Registered Owner by the provisions of Section II of this Deed of Mutual Covenant.

6. AND IT IS HEREBY EXPRESSLY AGREED AND DECLARED by the parties hereto that notwithstanding anything hereinbefore contained the covenants and obligations in these presents contained shall not bind the Mortgagee until the Mortgagee becomes the absolute owner of the premises described and set out in Clause 1 (a) of SECTION I hereof or until the Mortgagee exercises the power of sale and/or other powers conferred on it by the said Mortgages and Further Charge and similarly no liability for any payments under this Deed or any Sub-Deed of Mutual Covenant shall be upon the Mortgagee in respect of any sum accrued prior to the execution of the aforesaid powers.

IN WITNESS whereof the Registered Owner and the Manager have caused their respective Common Seals to be hereunto affixed and the duly appointed attorney of the Mortgagee and the First Purchaser have hereunto set their hands and seals the day and year first above written.

SEALED with the Common Seal of)
the Manager and SIGNED by)
PAYSON CHA, DIRECTOR.)
DISCOVERY BAY SERVICES MANAGEMENT)
LTD.)

whose signature(s) is/are)
verified by :-)

For and on behalf of)
DISCOVERY BAY SERVICES MANAGEMENT LTD)

Amabella
Director of Discovery Bay Services Management Ltd

William Chan
Director,
Discovery Bay Services Management Ltd

Hong Kong.

Dated 30th September 1982.

HONG KONG RESORT CO. LIMITED
and OTHERS

DEED OF MUTUAL COVENANT

in respect of Discovery Bay City erected
on The Remaining Portion of Lot No. 385 in
D.D. 352 and the Extension Thereto.

We, the undersigned do hereby certify that
we have this 10th day of January 1983 examined
the foregoing copy Deed of Mutual Covenant with
its original and that the same is a true, correct
and complete copy thereof.

Clerks to Messrs. Woo, Kwan, Lee & Lo,
Solicitors & C., Hong Kong.

6586891
Ref. Fee \$30. / Paid 10 NOV 1982
REGISTRY The District Land
Office, Islands Territories by
Memorial N. 112018 on Wednesday
the 10th day of November 1982

P. Land Officer

WOO, KWAN, LEE & LO,
Solicitors & C.,
26th Floor, Connaught Centre,
Hong Kong.

WCYK/B289 #7551A