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### BETWEEN :-

- (1) HONG KONG RESORT COMPANY LIMITED (香港興業有限公司) whose registered office is situate at 23rd Floor, China Merchants Tower, Shun Tak Centre, Nos.168-200 Connaught Road Central, Hong Kong (hereinafter called "the Registered Owner") of the first part;
- (2) [ ] of [
   ] (hereinafter called "the First Purchaser" which expression shall where the context so admits include his executors administrators and assigns) of the second part; and
- (3) DISCOVERY BAY SERVICES MANAGEMENT LIMITED (愉景灣服務管理有限 公司) whose registered office is situate at 23<sup>rd</sup> Floor, China Merchants Tower, Shun Tak Centre, Nos.168-200 Connaught Road Central, Hong Kong (hereinafter called "the Manager" which expression shall have the meaning assigned to it in Recital (1)(a) of "the Principal Deed") of the third part.

### WHEREAS:-

- (1) This Sub-Deed of Mutual Covenant (hereinafter called "this Sub-Deed") is supplemental to a Deed of Mutual Covenant dated the 30th day of September 1982 and registered in the Land Registry by Memorial No.IS112018 (hereinafter called "the Principal Deed").
- (2) In this Sub-Deed :-
  - (a) The expressions contained in Recital (1)(a) of the Principal Deed shall apply to this Sub-Deed whenever the context permits.
  - (b) The expressions following shall have the following meanings ascribed to them whenever the context permits :-

"Authorized Person"	Mr. Choy Ka Hung of Spiral Architectural Design Limited, and any other replacement authorized person for the time being appointed by the Registered Owner	
"Building Plans"	Means the general building plans and specifications in respect of the Village or in respect of any part or parts of the Village prepared by the Authorized Person and approved by the Building Authority under reference no.2/9215/14 and includes any amendment thereto as approved by the Building Authority.	
"City Common Areas"	Shall mean and include (subject to the Principal Deed) all those portions or parts of the Lot on which the following City Common Facilities are built or erected :-	
	<ul> <li>(a) the Sewage Treatment Plant Room;</li> <li>(b) the Drainage Outside Village;</li> <li>(c) the Street Fire Hydrant Pump Room;</li> <li>(d) fresh &amp; flush water tank &amp; pump room;</li> <li>(e) master water meter room;</li> <li>(f) the Switch Room and the Transformer Room;</li> <li>(g) Access road, emergency vehicular</li> </ul>	

access (EVA) and pedestrian walkway.

For the purpose of identification (and where possible) and of designation by virtue of Clause 8(f) of Section I of the Principal Deed, the City Common Areas are shown coloured pink and violet respectively on the City Common Areas Plan and City Common Areas (Drainage Outside Village) Plan (certified as to their accuracy by the Authorized Person) annexed hereto.

"Drainage Outside Village" The surface channel and/or pipelines for the disposal of treated sewage from the sewage treatment plant(s) and facilities installed within the Sewage Treatment Plant Room to such channel and/or pipelines whether ducted or otherwise, which are City Common Facilities.

"Government" Means the Government of Hong Kong.

"Government Grant"

Shall mean New Grant No.6122 dated 10<sup>th</sup> September 1976 as extended by three Extension Letters dated 1st August 1979, 19th August 1980 and 16th July 1981 and registered in the Land Registry as New Grant No.6620, New Grant No.6788 and New Grant No.6947 respectively and as varied and/or modified by a letter from the Director of Lands to the Registered Owner dated 28th February 2000 and

registered in the Land Registry by Memorial No.IS280736 (as further varied or modified by a letter from the Director of Lands to the Registered Owner dated 24 March 2016 and registered in the Land Registry by Memorial No.16040101400019) and shall include any subsequent modifications and extensions of the Government Grant.

"Greenery Areas" The greenery areas of the Village, which are shown on the Greenery Areas Plan annexed hereto, the accuracy of such plan has been certified by or on behalf of the Authorized Person, and thereon coloured yellow and their size (in area) and common access thereto are also indicated thereon.

> means the Hong Kong Special Administrative Region of the People's Republic of China.

> Shall mean any of the twenty-one (21) houses (which is a Residential Unit (as defined in the Principal Deed)) erected on the Village, in accordance with the Master Plans comprising Houses 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 25 and to which Undivided Shares in the Lot and the City have been allocated, and of which the Owner, as between himself

"House"

"Hong Kong"

and other Owners or occupiers of other parts of the Village, is entitled to the exclusive possession and including, among others, walls and partitions (whether load bearing or not), columns, floor slabs, ceiling slabs, beams, roofs, flat roofs, portion of the Slopes and Retaining Walls within the boundary of that house), glass protective barrier (if any), fence walls (if any), external walls and non-structural prefabricated external walls (if any), terrace(s) (if any), swimming pool(s) (if any), filtration plant pit(s) (if any), filtration plant room (if any), yards garden(s) (if any) or garage(s) for parking of motor vehicle(s) including but not limited to golf cart(s) and/or service vehicle(s) (if any) and all the structures which serve to support exclusively that house and no other part of the Village, and Houses shall be interpreted accordingly. For the avoidance of doubt, the retaining wall structures within the boundaries of Houses 1, 6, 15, 16, 17 and 25 do not form part of these Houses but shall form part of the Village Common Areas.

# "Improvement Fund" A fund established or to be established and held by the Manager as trustee for all the Owners of Houses to meet expenditure of a capital or non-recurring nature which shall

comprise of a fund in respect of the Village and shall include, inter alia, the initial costs of setting up web based community network services and the like, the initial costs of setting up caretaker's office and the like for the Village, expenses for the purchase, protection, replacement, improvement, upgrading and renovation incurred or to be incurred in relation to the Village Common Areas, the Village Common Facilities and any other costs and expenses which are necessary for the initial setting up for the Village Common Areas and the Village Common Facilities of the Village. For the avoidance of doubt. the Improvement Fund will be contributed once by each first Owner of House upon assignment from the Registered Owner.

"Management Units" Units allocated to the Houses in the Village in accordance with the provisions of Clause 3 of Section VI of this Sub-Deed.

> The utility platform(s) (if any) and balcony(s) (if any) and the covered areas respectively beneath the same (if any) forming part of a House which are shown on the plans annexed hereto, the accuracy of such plans has been certified by or on behalf of the

"Non-enclosed Areas"

Authorized Person and thereon coloured indigo.

means the Building Management Ordinance (Cap.344).

"Ordinance"

"Owner of House"

Means each person in whom for the time being any Undivided Share is vested and appears from the records at the Land Registry to be the owner of such Undivided Share and every joint tenant or tenant in common of any Undivided Share, and (where any Undivided Share has been assigned or charged by way of mortgage or charge) includes both the mortgagor or chargor, and the mortgagee or chargee in possession of or having foreclosed such Undivided Share Provided that (subject to the provisions of the mortgage or charge) the voting rights attached to such Undivided Share by the provisions of this Sub-Deed is exercisable only by the mortgagor or chargor unless the mortgagee or chargee is in possession of or has foreclosed or has appointed a receiver to manage such Undivided Share.

"Owners' Corporation" The corporation of the Owners incorporated under section 8 of the Ordinance.

Such public recreation facilities in the

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"Public Recreation Facilities"

Lot provided or formed or to be provided or formed in the future which will be open for use by the public pursuant to the terms of the Government Grant.

A fund established or to be established and held by the Manager in accordance with Clause 2(o) of Sub-section D of Section IV of the Principal Deed.

The areas shown coloured brown on the City Retained Areas Plan annexed hereto and pedestrian walkway, pedestrian walkway with drop curb, pavement (footway) and access road constructed thereon (including the associated street furniture, traffic aids, street lighting, sewers, drains and other structures) which are hereby designated by virtue of Clause 8(f) of Section I of the Principal Deed and shall form part of the City Retained Areas (as defined in the Principal Deed) and is/shall be enjoyed non-exclusively by the Village and the City and are open for public use for the proper use or enjoyment of the Public Recreation Facilities by the general public pursuant to the terms and conditions of this Sub-Deed.

The building erected within the Village in which sewage treatment plants and facilities for treatment and disposal of

"Sewage Treatment Plant Room"

"Reserve Fund"

"Right of Way"

sewage from or in connection with the Lot or any part(s) thereof are installed

"Slopes and Retaining Walls" Such slopes, slope treatment works, retaining walls and other structures within and outside the Village and maintenance of which is the liability of the Owners of Houses under the provisions of the Government Grant or Sub-Deed which this and for identification purpose are shown and coloured green on the Slope Plan annexed hereto, the accuracy of such been certified by plan has the Authorized Person as to the inclusion of all the Slopes and Retaining Walls and annexed hereto; "Street Fire Hydrant Pump Room" The building erected in the Village serving all fire hydrants located on the Right of Way and access road connecting the Right of Way to the Public Recreation Facilities.

"Switch Room and Transformer Switch room and transformer room Room" Within the Village including ventilation systems, building services, main walls, cable entry facilities, cable accommodations, structures for cable ducts/ troughs/raisers/draw pits and meter boards serving the transformer room.

"Undivided Share"	Means an equal undivided part or share		
	of and in the Lot and of and in the City		
	allocated in accordance with the		
	provisions of this Sub-Deed or a		
	sub-deed of mutual covenant (if any).		
"Village"	Means the whole of the development		
	constructed or in the course of		
	construction on all that part of the Lot		
	(comprising portion of Area 2a) as is		
	shown coloured orange on the Site Plan		
	attached to this Sub-Deed in accordance		
	with the Government Grant and the		
	Building Plans and known as ["		
	( )"] (Phase 18).		
"Village Common Areas"	Shall mean and include (subject to the		

Shall mean and include (subject to the Principal Deed):-

- (a) Slopes and Retaining Walls (other than those forming part of a House);
- (b) the Greenery Areas and landscape areas including open space, driveways, passageways and footpaths which are for the use and benefit of the Village;
- (c) caretaker's office (with a disabled's toilet) and the like which serve or are intended to serve the Village;

- (d) areas for the installation or use of aerial broadcast distribution or telecommunications network facilities;
- (e) refuse storage and material recovery chamber;
- (f) other areas that serve or are intended to serve the Village as a whole.

PROVIDED THAT, where any parts of the Village fall under the definition of "common parts" set out in Section 2 of the Ordinance and which are for the common use and benefit of all the Owners of Houses, such parts shall be deemed to have been included as, and shall form part of, the Village Common Areas. For the purpose of identification, the Village Common Areas are shown coloured red on the Village Common Areas Plan (certified as to their accuracy by the Authorized Person) annexed hereto.

"Village Common Facilities" Shall mean and include (subject to the Principal Deed) the following facilities and devices within the Village that serve or are intended to serve the Village as a whole:-

(a) such of the sewers, drains, water

courses, pipes, gutters, wells (if any), wires and cables and other service facilities whether ducted or otherwise which are or at any time may be in or under or over or passing through the Village through which water, sewage, gas, electricity and any other services are supplied to the Village or any part or parts thereof and not for the exclusive use or benefit of a particular House;

- (b) meter rooms, mechanical rooms, street fire hydrant tanks, LPG vapouriser rooms, LPG rooms, portable water tanks, automatic irrigation water tank cabinets, store rooms, refuse storage and material recovery chambers or other rooms for the use and benefit of the Village and not for the use or benefit of a particular House;
- (c) lamp posts and lighting (other than those providing for the Right of Way) within the Village;
- (d) communal television antennae and telecommunication and broadcasting equipment rooms for the use and benefit of the Village and not for the use or benefit of a particular House;

(e) any other facilities and devices, including, without limitation, installed for the use and benefit of the Village and not for the use and benefit of a particular House.

"Works and Installations" All the major works and installations in Village requiring the regular maintenance on a recurrent basis. The schedule of which is set out in the Second Schedule to this Sub-Deed subject to revision in accordance with Clauses 2(e) and 2(f) of Section VIII.

- (3) In this Sub-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.
- Immediately after the execution of the [Sub-Deed of Mutual Covenant dated the (4)] and registered in the Land Registry by Memorial No. [  $[1]^1$ , the Registered ſ Owner was the registered owner of and entitled to and retained (inter alia) (a) All Those [35,667]<sup>2</sup> equal undivided 250,000th parts or shares of and in the Lot and the City allocated to the Reserved Undivided Shares under the Principal Deed; (b) All Those [47,590.465]<sup>2</sup> equal undivided 250,000th parts or shares of and in the Lot and the City allocated to the City and Village Retained Areas under the Principal Deed and (c) All Those  $[7,401]^2$  equal undivided 250,000th parts or shares of and in the Lot and the City allocated to the City and Village Common Areas and Facilities under the Principal Deed.

#### Note 1

**INTE 1** Insert the date and memorial number of the Sub-Deed in respect of portion of Area 1a and Area 1b of the Discovery Bay City. If prior to the execution of this Sub-Deed, the Sub-Deed in respect of portion of Area 1a and Area 1b of the Discovery Bay City is not executed or another phase of the development in the Discovery Bay City is executed, the date and memorial number of the Sub-Deed which executed immediately before this Sub-Deed must be inserted.

Note 2 Prior to the execution of this Sub-Deed, if the Sub-Deed in respect of portion of Area 1a and Area 1b of the Discovery Bay City is not executed or another phase of the development in the Discovery Bay City is executed, this figure must be substituted with an updated figure certified correct by an anthorized person handling the phase of which the Sub-Deed executed immediately before this Sub-Deed.

- (5) Prior to the date of the Assignment to the First Purchaser next hereinafter recited, the Registered Owner was the registered owner of and entitled to (inter alia) All Those 405 equal undivided 250,000th parts or shares of and in the Lot and the City Together with the full and exclusive right and privilege to hold use occupy and enjoy the Village and the buildings and other structures and ancillary works erected or to be erected on the Village subject to and with the benefit of the Principal Deed.
- (6) 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 and in consideration therein expressed, 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 [\*] equal undivided 250,000th parts or shares of and in the Lot and the City Together with the full and exclusive right and privilege to hold use occupy and enjoy All THAT / THOSE [\*] of the Village.
- (7) The parties hereto have agreed to enter into this Sub-Deed for the purpose of making provisions for the management, maintenance, insuring, upgrading, repair and servicing of the Village and its equipment, services and apparatus, for the purpose of defining and regulating the rights, interests and obligations of the Owners of Houses in respect of the Village, to provide for a due proportion of the Management Expenses of the Village to be borne by the Owners of Houses.
- (8) The provisions of this Sub-Deed have been approved by the Director of Lands (being the successor to the Secretary for the New Territories in this regard), pursuant to the Government Grant.

## NOW THIS DEED WITNESSES as follows :-

## SECTION I

## UNDIVIDED SHARES AND RESERVED RIGHTS

A. There shall be sub-allocated to the Village 599 Undivided Shares and 597 Management Units which shall be allocated as follows :-

	<u>First Column</u> Units	Second Column Undivided Shares of and in the Lot and the City	<u>Third Column</u> Management Units
(a)	Houses (particulars of the number of Undivided Shares of and in the Lot and the City allocated to each House are contained in the Second Column of the First Schedule hereto)	404/250,000th shares (drawn from the Reserved Undivided Shares allocated under the Principal Deed)	404 Management Units
(b)	Village Common Areas and Village Common Facilities	1/250,000th share (drawn from the Undivided Shares allocated to the City and Village Common Areas and Facilities under the Principal Deed)	

(c) City Common Areas and 1/250,000th share (drawn Facilities from the Undivided Shares allocated to the City and Village Common Areas and Facilities under the Principal Deed) (d) City Retained Areas 193 Management Units 193/250,000th share (drawn from the Undivided Shares allocated to the City and Village Retained Areas

under the Principal Deed)

- B. There is reserved unto the Registered Owner the following rights and privileges :-
  - (a) The Registered Owner shall have full power at any time hereafter and from time to time to enter into and upon all parts of the Village (other than those parts that have already been sold or assigned) with all necessary equipment plant and materials for the purposes of constructing the other stages of the Village or any part thereof (including but not limited to the construction, demarcation or delineation of car parking spaces (if any)) in accordance with the Master Plans or such other plans or amendments as may hereafter be approved by the appropriate Government authorities. The right of the Registered Owner to enter the Village to carry out such works shall extend equally to all necessary contractors agents workers and other persons authorised in writing by the Registered Owner. The Registered Owner in pursuance of such works may from time to time issue in writing to the Owners of Houses instructions as to the areas or parts of the Village to be erected (other than those parts that have already been sold or assigned) that the Owners of Houses their servants agents or licensees may or may not use while such works are being carried out Provided that the Registered Owner in exercise of its rights under this Clause shall act with all due expedition causing as little disturbance as possible and making good any damage caused thereby and Provided that the exercise of such right shall not interfere with the right of an Owner of House to hold, use, occupy and enjoy the part or parts of the Village which he owns or impede or restrict the access to and from any such part or parts of the Village.
  - (b) The Registered Owner reserves the right to erect, affix, maintain, alter, repair, service, replace, renew and remove (i) any systems for broadcast transmission and reception, information distribution and communication, including without limitation, communal aerial broadcast distribution systems, microwave distribution systems, cable and wireless communications systems, telecommunications transmission, reception and transponder systems, aerial dishes, transmitters, transponders, receivers tuners and the ancillary equipment and connections thereto; (ii) other fixtures or structures of whatsoever kind on any part or parts of the Village Common Areas and such other areas of the

Village the exclusive right to hold, use, occupy and enjoy which has not been sold or assigned by the Registered Owner PROVIDED THAT if such fixtures or structures are affixed on the Village Common Areas or any part thereof, the Registered Owner shall first obtain the approval of the Director of Lands (if the same is required under the Government Grant) and the written approval by a resolution of the Owners of Houses at a meeting of the Owners of Houses convened under this Sub-Deed AND PROVIDED ALWAYS THAT such fixtures or structures shall not interfere with the use and enjoyment by other Owners of Houses and shall not unduly restrict or impede the access to and from the Houses owned by such other Owners of Houses and the Registered Owner shall have the right to enter into and upon any part of the Village the exclusive right to hold use occupy and enjoy which has not been sold or assigned by the Registered Owner with or without workmen and equipment at all reasonable times on giving prior reasonable notice (save in case of emergency) for any or all of the purposes aforesaid and to license or otherwise permit or grant the right so to do to any other person on such terms as the Registered Owner may deem fit PROVIDED THAT any monetary benefit received by the Registered Owner arising from the exercise of the aforesaid rights in relation to or in connection with the Village Common Areas and any payment received for the approval shall be credited to the Reserve Fund and be applied towards the management and maintenance of the Village and PROVIDED FURTHER THAT the Registered Owner shall cause the least disturbance to the other Owners of Houses and shall at its own expense make good any damage caused thereby and/or arising from the exercise by the Registered Owner of the aforesaid rights.

- (c) The Registered Owner hereby specifically excepts and reserves unto itself all the covenants, rights, liberty, privileges, entitlements, exceptions and reservations as are granted and conferred on the Registered Owner under the Principal Deed.
- C. The Registered Owner shall upon the execution of this Sub-Deed assign the Village Common Areas and the Village Common Facilities together with the number of Undivided Shares allocated thereto to the Manager free of cost or consideration and

subject to this Sub-Deed such Undivided Shares together with the Village Common Areas and the Village Common Facilities shall upon such assignment to the Manager be held by the Manager as trustee for all the Owners of Houses for the time being and in the event the Manager shall resign or be wound up or is removed and another manager be appointed in its stead in accordance with the Principal Deed and this Sub-Deed, then the outgoing Manager or the liquidator shall assign free of cost or consideration such Undivided Shares together with the Village Common Areas and the Village Common Facilities which they represent to the new manager to hold as such trustee as aforesaid or to the Owners' Corporation (when formed) at any time, if so required by it Provided Always That nothing herein contained shall in any way fetter or diminish the rights, powers, authorities, duties and obligations of the Manager contained in this Sub-Deed And Provided Further that the Manager shall not be required to pay any contribution to the Management Expenses in respect of the Undivided Shares relating to the Village Common Areas and the Village Common Facilities.

D. The Registered Owner shall at its own expense provide temporary noise abatement and dust protection measures within the Village in relation to the Houses so as to minimise inconvenience to the Owners of Houses resulting from the continuing construction of other stages of the Village and/or other developments on the Lot.

#### SECTION II

# EASEMENTS, RIGHTS AND PRIVILEGES THE BENEFIT OF WHICH IS HELD WITH EACH HOUSE

- The Owner of House shall have the benefit of the following easements, rights and privileges Subject to the Principal Deed, the City Rules, the Village Rules and subject to the rights of the Manager as hereinafter provided :-
  - (a) The full right and liberty for the Owner of House for the time being, his tenants, servants, agents and licensees (in common with all persons having the like right) to go pass or repass over and along and to use such of the Village Common Areas and the Village Common Facilities which serve the Village for all purposes connected with the proper use and enjoyment of such House subject as aforesaid.
  - (b) The Owner of House shall have the benefit of the following easements, rights and privileges :-
    - (i) The right to subjacent and lateral support from the Village or the foundations thereof and all other parts of the Village and all parts of the City, subject as aforesaid.
    - (ii) Full right and liberty (but subject always to the rights of the Manager and the Registered Owner hereunder or under the Principal Deed) for the Owner of House for the time being, his tenants, servants, agents and licensees (in common with all other persons having the like right) to go, pass and repass over and along the City Common Areas for all purposes connected with the proper use and enjoyment of such House, subject as aforesaid.
    - (iii) The free and uninterrupted passage and running of water, sewage, gas, electricity, telephone and any other services from and to the House

owned by the Owner of House through the sewers, drains, watercourses, cables, pipes and wires which now are or may at any time hereafter be in under or passing through the City or the Village or any building for the proper use and enjoyment of the House owned by the Owner of House but Subject always to the rights of the Manager and the Registered Owner hereunder or under the Principal Deed.

(iv) The full right and liberty for the Owner of House for the time being, his tenant, servants, agents and licensees (in common with all persons having the like right including but not limited to the Registered Owner, the other Owners of the Lot and Subject to the rights of members of the public) with or without vehicles to go pass or repass over and along the Right of Way for all purposes connected with the proper use and enjoyment of such House subject as aforesaid. For the avoidance of doubt, the Registered Owner shall have full right at any time and from time to time to go, pass or repass over and along and enter into and upon the Right of Way with all necessary equipment plant and materials with or without motor or other vehicles of any description for the purposes of constructing the other stages of the Village or the City or any part thereof in accordance with the Master Plans or such other plans or amendments as may hereafter be approved by the appropriate Government authorities. Such right of the Registered Owner shall extend equally to all necessary contractors, agents, workers and other persons authorised in writing by the Registered Owner. The Registered Owner may from time to time issue instructions in writing to the Owners of Houses as to the areas or parts of the Right of Way that the Owners of Houses, their servants, agents or licensees may or may not use while such works are being carried out. Subject to the approval as required under Clause 8(h) of Section I of the Principal Deed, the Registered Owner shall have the right to alter, change, adjust, revise the Right of Way and may provide alternative access way to the Owners of Houses, their servants, agents or licensees if the Right of Way is being used by the Registered Owner, as the circumstances may warrant, provided that nothing herein shall impede access to any House

or unreasonably interfere with the use and enjoyment by any Owner of House which he owns provided further that the Registered Owner shall not exercise the right to construct or pave any car parking spaces or structures on the Right of Way as reserved under Clause 8(i) of Section I of the Principal Deed.

2. The Owner of House shall have no right to enter upon any part of the Lot, the City or the Village save as expressly herein provided it being understood that all work necessary for the maintenance and repair of the City and the Village shall be carried out by the Manager who shall have the right to enter in or upon any part of the City and/or the Village for that purpose as herein provided.

#### SECTION III

# EASEMENTS, RIGHTS AND PRIVILEGES SUBJECT TO WHICH EACH UNDIVIDED SHARE OF AND IN THE LOT AND THE CITY IS HELD

- 1. The following are the easements, rights and privileges subject to which each Undivided Share of the Village is held :-
  - (a) The Manager shall have full right and privilege at all reasonable times on reasonable notice (except in the case of emergency) with or without agents, surveyors, contractors, workmen and others to enter into and upon each House for the purposes of inspecting, examining and maintaining such House including the rubbish bin cabinet, LPG cabinet, water meter cabinet, A/C plant room(s) (if any), electric room(s) (if any), balconies (if any), utility platforms (if any), flat roofs, fence walls (if any), the external walls and non-structural prefabricated external walls (if any), terrace(s) (if any), swimming pool(s) (if any), filtration plant pit(s) (if any), filtration plant room (if any), garden(s) (if any) or garage(s) for parking of motor vehicle(s) including but not limited to golf cart(s) and/or service vehicle(s) (if any) or any Village Common Facilities therein or any part or parts thereof as part of the amenities thereof and not by any individual Owner of House for his own purpose or enjoyment or to abate any hazard or nuisance which does or may affect the Village Common Areas or the Village Common Facilities or other Owners of Houses provided that the Manager shall at its own costs and expenses make good any damage caused as a result of the Manager exercising the above right and shall be liable for negligence or dishonesty or wilful or criminal acts of the Manager, his employees, contractors or agents (including but not limited to making good the damage caused by such acts at his own costs and expense).
  - (b) The Manager shall have full right and privilege at all reasonable times on notice (except in the case of emergency) with or without agents, surveyors, contractors, workmen and others to enter into and upon each House for the purposes of inspecting, examining repairing, keeping and maintaining the Slopes and Retaining Walls or any part or parts thereof provided that the

Manager shall make good any damage caused as a result of the Manager exercising the above right and shall be liable for negligence or dishonesty or wilful or criminal acts of the Manager, his employees, contractors or agents (including but not limited to making good the damage caused by such acts at his own costs and expense).

- (c) Easements, rights and privileges over along and through each House equivalent to those set forth in Clause 1(b)(i) to (iii) of Section II of this Sub-Deed.
- (d) Easements, rights and privileges reserved unto the Registered Owner under the Principal Deed and this Sub-Deed.
- (e) The right of all members of the public from time to time and at all time to go pass or re-pass over along through and enter into and upon on foot or by wheelchair with or without vehicles the Right of Way for all lawful purposes connected with the proper use and enjoyment of the Public Recreation Facilities.
- 2. Subject always to the rights of the Registered Owner under the Principal Deed and this Sub-Deed, the Manager shall have:-
  - (a) full right and authority to control and manage the Village Common Areas and in this connection shall have power :-
    - to license and control parking thereon and to remove vehicles or other things parked or left thereon or therein not so licensed;
    - (ii) to license or let out any part thereof for such sum and for such purposes as it thinks fit and any charges received by the Manager in the exercise of the aforesaid power shall form part of the Management Funds;
    - (iii) subject to obtaining the approval by a resolution of the meeting of the Village Owners' Committee convened under this Sub-Deed, to let out any part of the Village Common Areas for parking purpose and any charges received by the Manager in the exercise of the aforesaid power shall form part of the Reserve Fund.

- (b) full right and liberty to enter into any contracts with any person for the installation, affixation, use or operation of the communal aerial broadcast distribution cabling infrastructure and its associated equipment and accessories and/or the telecommunication cabling infrastructure and its associated equipment and accessories installed or affixed or to be installed or affixed in the Village Common Areas for such consideration and on such terms as the Manager may deem fit Provided that any contract for the installation or use of aerial broadcast distribution or telecommunications network facilities and contracts for the provision of broadcast distribution network or telecommunications network services to be entered into by the Manager shall be subject to the following conditions :-
  - (i) the term of the contract will not exceed 3 years;
  - (ii) the rights to be granted under the contract shall be non-exclusive and shall provide for sharing the use of the facilities and network with other service providers; and
  - (iii) no Owner of the House is required to make any payment in any form attributable to the installation or provision of the facilities or services, unless he is a subscriber to the relevant service.

This proviso shall not apply to the contracts for the maintenance of the system for distribution of off-air TV and free-to-air SMATV signals.

- (c) Subject to Clause 19 of Section VI of this Sub-Deed, full right and liberty from time to time to appoint or employ agents, contractors or sub-managers (including professional property management companies) to perform and carry out all or any of its duties or obligations hereunder and/or providing value-added services to the Owner(s) of the Village, for such consideration and on such terms as the Manager may deem fit Provided that any contracts to be entered into by the Manager under this sub-Clause (c) shall be subject to the following conditions :-
  - (i) the term of the contract will not exceed 3 years;

 (ii) no Owner of House is required to make any payment in any form attributable to the provision of the services, unless he is a subscriber to the relevant service.

For the avoidance of doubt, PROVIDED THAT the Manager shall not transfer or assign its duties or obligations hereunder to any such third parties who shall remain responsible to the Manager, the Manager shall at all times be responsible for the management and control of the Village in accordance with the provisions of this Sub-Deed and no provisions in this Sub-Deed shall operate to take away or reduce, or shall be construed to have the effect of taking away or reducing, such responsibility.

### SECTION IV

## <u>COVENANTS, PROVISIONS AND RESTRICTIONS TO BE OBSERVED AND</u> <u>PERFORMED BY THE OWNERS OF HOUSES</u>

Subject to the provisions of the Principal Deed:-

- 1. Every assignment of an Undivided Share in the Lot and the City shall contain an express covenant by the purchaser thereof to notify the Manager of any change of ownership within one month from the date of the assignment.
- (a) Each Owner of House shall from the date of the assignment of an Undivided Share in the Lot and the City promptly and punctually pay the Government rent in respect of the part of the Village owned by him in accordance with the provisions of the Government Rent (Assessment and Collection) Ordinance (Cap.515) and shall indemnify the other Owners of Houses from and against all liabilities therefor;
  - (b) The Manager shall on behalf of the Owners of Houses pay the Government rent (if any) attributable to the Village Common Areas and such Government rent shall form part of the Management Expenses;
  - (c) Each Owner of House shall from the date of the assignment of an Undivided Share in the Lot and the City promptly pay and discharge all existing and future taxes, rates, assessments, property tax and outgoings of every kind and description for the time being assessed or payable in respect of that part of the Village owned by him and shall indemnify the other Owners of Houses from and against all liability therefor.
- Upon execution of this Sub-Deed, each Owner of House shall pay to the Manager on the due date his due proportion of the Management Expenses payable by such Owner of House as herein provided.
- 4. No Owner of House shall make any structural alterations to any part of the Village owned by him which may damage or affect or interfere with the use and enjoyment of

the Owners or occupiers of any other part or parts of the Village whether in separate or common occupation nor will any Owner of House use, cut, injure, damage, alter or interfere with any part or parts of the Village Common Areas or the City Common Areas or any of the Village Common Facilities or the City Common Facilities or any equipment or apparatus on in or upon the Lot.

- 5. No Owner of House shall do or permit or suffer to be done any act or thing in contravention of the terms and conditions in the Government Grant or whereby any insurance on the Village or any part thereof may become void or voidable or whereby the premium for any such insurance may be increased and in the event of any breach of this Clause by any Owner of House, in addition to any other liability incurred thereby, such Owner of House shall pay to the Manager the amount of any increase in premium caused by or on account of such breach.
- 6. Each Owner of House shall be responsible for and shall indemnify all other Owners of Houses and occupiers of any part or parts of the Village against all actions, proceedings, claims and demands whatsoever arising out of or in respect of any loss or damage to any person or property caused by or as the result of the act or negligence of such Owner or any occupier of any part of the Village or any person using such part of the Village with his consent expressed or implied or by or through or in any way owing to the overflow of water therefrom.
- 7. Each Owner of House shall be responsible to the other Owners of Houses for the time being for the acts and omissions of all persons occupying with his consent expressed or implied any part or parts of the Village owned by him and shall pay all costs, charges and expenses incurred in repairing or making good any loss or damage caused by the act, neglect or default of any such person. In the case of loss or damage which the Manager is responsible to make good or repair such costs, charges and expenses shall be recoverable by the Manager as hereinafter provided and in the case of loss or damage suffered by other Owners of Houses or occupiers of any part of the Village for which the Manager is not responsible to repair or make good, such costs, charges and expenses together with all other damages recoverable by law shall be recoverable by the person or persons sustaining the loss or damage.

- 8. No Owner of House shall at any time exercise or attempt to exercise any statutory or common law right to partition the Lot or the Village or any part or parts thereof.
- 9. No Owner of House shall do or permit or suffer to be done and each Owner of House shall take all possible steps to prevent his tenants, occupiers or licensees from doing any act, deed, matter or thing which in any way interferes with or affects or which is likely to interfere with or affect the construction of any part of the City at any time in the course of construction and/or the management and the maintenance of the City or the Village.
- 10. Each Owner of House shall maintain in good repair and condition that part of the Village owned by him to the satisfaction of the Manager and in such manner as to avoid any loss, damage, nuisance or annoyance to the Owners or occupiers of any other part or parts of the Village.
- 11. No Owner of the Village shall use or permit or suffer the part of the Village owned by him to be used for any illegal or immoral purpose and in particular no Owner of the Village shall use or permit or suffer any part of his House Unit to be used as a mahjong school, funeral parlour, columbarium, any niche or other form of storage of cinerary urns, coffin shop, temple, Buddhist hall or for the performance of the "Ta Chai ( 打 齋 )" or any similar ceremony or as a dance ceremony known as hall, ballroom or pawn shop or for any offensive trade or business or cause or permit or suffer to be done any act or thing in his House which may be in contravention of the terms and conditions in the Conditions nor will he do cause or permit or suffer to be done any act or thing which may be or become a nuisance or annoyance to or cause damage to the other Owners of the Village and occupiers for the time being provided always that nothing in this provision shall restrict the Registered Owner in its development of the Village or other parts of the City in accordance with the Master Plans.
- 12. No Owner of House shall use or permit or suffer any part of the Village owned by him to be used except in accordance with any applicable Building Regulations or any Ordinances and Regulations or other permit, consent or requirement from time to time applicable thereto.

- 13. No part of the City Common Areas, the City Retained Areas, the Major Roads or the Village Common Areas shall be obstructed or encumbered save with the licence of the Manager nor shall any refuse or other matter or things be placed or left thereon and no Owner of House shall do or suffer or permit to be done anything in such City Common Areas, City Retained Areas, Major Roads or Village Common Areas as may be or become a nuisance to any other Owners of Houses or occupiers of the Houses or any other part of the City.
- 14. The refuse disposal areas (if any) shall be used only in the manner prescribed by the Manager and subject to the City Rules and Village Rules (if any) covering the same.
- 15. No Owner of House shall be entitled to connect any installation to any aerial installed by the Manager except with the permission of the Manager. The Owner of House may at his own expense install, erect or mount any satellite dish and any ancillary equipment and connections (including but not limited to any telecommunications transmitter and receiver or cable and wireless communications systems) above, at, on or within his House Provided that no such satellite dish or ancillary equipment and connections shall extend or protrude beyond the boundary of his House or cause any damage or adversely interfere with the use and enjoyment of other Owners or occupiers of any part or parts of the Village.
- 16. No external signs, signboards, notices, flags, banners, poles, cages, shades, sculptures or other projections or structures whatsoever extending outside the exterior of any House shall be erected, installed or otherwise affixed to or projected from any House except with the prior written consent of the Manager.
- 17. No Owner of House shall do or permit to be done any act or thing which may or will alter the front fencing walls of any House facing the driveway without the prior consent in writing of the Manager.
- 18. No Owner of House shall throw out or discard or permit or suffer to be thrown out or discarded from any part of House owned by him any refuse, rubbish, litter or other

article or thing whatsoever except using the facilities provided for the disposal thereof.

- 19. All the Owners of Houses (including the Registered Owner) and the Manager shall at all times observe and perform the City Rules and the Village Rules so long as they remain as the Owners of Houses and the Manager.
- 20. Each Owner of House may at his own expense install in the part of the House owned by him such additions, improvements, fixtures, fittings and decoration and remove the same Provided however that no such installation or removal shall cause any structural damage or interfere with the enjoyment of any part of the Village and provided further that nothing in this Clause shall inhibit the Registered Owner in proceeding with and completing the construction of the City and the Village and development of the Lot in accordance with the Master Plans.
- 21. No clothing or laundry shall be hung outside any House or in the City Common Areas, the City Retained Areas, or the Village Common Areas which in the opinion of the Manager may affect the external appearance of any House.
- 22. No Owner of House shall do or suffer or permit to be done anything whereby the flush or drainage system of any House may be clogged or the efficient working thereof may be impaired.
- 23. Except in spaces (if any) originally provided for the purpose by the Registered Owner, no Owner of House shall build a swimming pool, sauna, whirlpool, hot-tub or jacuzzi whether portable or otherwise or sink a well or erect on the balcony(ies) (if any) or utility platform(s) (if any) or flat roof (sky garden) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) any objects or structures without the prior written consent of the Manager.
- 24. No Owner of House in respect of which balcony(ies) (if any) or utility platform(s) (if any) or flat roof (sky garden) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or filtration plant pit(s) (if any) or filtration plant room(s) (if any) or garage(s) for parking of

motor vehicle(s) including but not limited to golf cart(s) and/or service vehicle(s) (if any) or A/C plant room(s) (if any) or electric room(s) (if any) are held therewith shall erect on such balcony(ies) (if any) or utility platform(s) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or filtration plant pit(s) (if any) or filtration plant room(s) (if any) or garage(s) for parking of motor vehicle(s) including but not limited to golf cart(s) and/or service vehicle(s) (if any) or A/C plant room(s) (if any) or electric room(s) (if any) any objects or structures without the prior written consent of the Manager.

- 25. Every Owner of House shall at all times keep his garden(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) in a neat and attractive condition. No poultry house shall be constructed on or maintained in such garden(s).
- 26. Except with the Manager's consent, no fowl or animals, other than a reasonable and usual number of normal household pets, shall be kept in a House.
- 27. The Manager shall have the power and right to remove any animals from a House if in the opinion of the Manager, such animals are causing a nuisance to other Owners or occupiers of other Houses.
- 28. No Owner of House shall make any alteration to any installation or fixture so as to affect or be likely to affect the supply of water, electricity or gas.
- 29. No Owner of House including the Registered Owner shall have the right to convert the Village Common Areas and the Village Common Facilities or any part thereof to his own use and for his own benefit unless with the approval by a resolution of the Village Owners' Committee. Any payment received for the granting of such approval shall be credited to the Reserve Fund.
- 30. No Owner of House (including the Registered Owner) shall have the right to convert or designate any part of his House or any part of the Village exclusively owned by him to the Village Common Areas unless the approval by a resolution of the Owners of Houses at a meeting of the Owners of Houses convened under this Sub-Deed has been obtained. No Owner of House (including the Registered Owner) and no

manager may re-convert or re-designate the Village Common Areas to his own use or benefit.

- 31. Every Owner of House shall allow the Manager or all agents, qualified person or persons employed or authorised by the Manager to conduct survey or inspection on the external walls and the fence walls of his House at least once in every seven years. The report of such inspection shall be kept at the caretaker's office in the Village and shall be open to inspection by the Owners of Houses and the Manager shall furnish to any Owner of House on request a copy of such report at a reasonable charge. All charges received shall be paid into the Reserve Fund.
- 32. Every Owner of House shall be obliged to join a collective renovation exercise carried out by the Manager for the external walls and the fence walls of his House and/or the Village Common Areas based on the recommendation of the inspection report in Clause 31 of this Section IV of this Sub-Deed above.
- 33. Every Owner of House shall be obliged to join and become a member of the DISCOVERY BAY RECREATION CLUB and to pay the monthly subscriptions promptly and shall obey the club rules and bye-laws thereof and shall promptly transfer his membership to his purchaser upon sale of his House and shall be obliged to transfer his membership to his tenant upon signing of a lease in respect of his House and pay the administration fee for the transfer of membership charged by the Club all in the manner as provided in the club rules and bye-laws thereof.
- 34. The Greenery Areas shall only be used as greenery areas and shall not be used for any other purpose without the prior consent of the Building Authority.
- (a) The Owners of Houses shall keep the interior of the Non-enclosed Areas in good and substantial repair and condition and shall use the same in all respects in compliance with this Sub-Deed, the Occupation Permit or temporary Occupation Permit of the Village or any part thereof as may be issued by the Building Authority, the Buildings Ordinance (Cap. 123) and such other Ordinances, by-laws and Government regulations of Hong Kong.

- (b) The Owners of Houses shall not erect or affix or cause or permit or suffer or allow to be erected or affixed any wall or partition of any material whether of a permanent or temporary nature on the Non-enclosed Areas or any part thereof.
- (c) The Owners of Houses shall not cause, permit, suffer or allow the Non-enclosed Areas to be enclosed in whole or in part and the covered areas beneath the Non-enclosed Areas to be enclosed above safe parapet height other than as under the Building Plans by any material of whatsoever kind or nature, or affixed with sun shades, awnings, or brackets of whatsoever nature, it being the obligation of such Owner of House to keep and maintain the Non-enclosed Areas in the design and layout as drawn under the Building Plans.
- (d) The Owners of Houses shall use and maintain balcony(ies) (if any)/utility platform(s) as "non enclosed" area(s) only and for the purpose(s) for which such balcony(ies) (if any)/utility platform(s) is/are originally designed at its sole cost and expense to the satisfaction of the Manager at all times and shall not under any circumstance enclose or seal in such balcony(ies) (if any)/utility platform(s) with any structure, substance or materials nor demolish nor relocate such balcony(ies) (if any)/utility platform(s) or any part thereof in any way or manner whatsoever.
- (e) In the event of the covenants contained in this Clause being in breach, the Manager without prejudice to the right of the other Owners of Houses, shall have the right to demand the defaulting Owner of House to rectify the breach forthwith and if necessary to reinstate the Non-enclosed Areas to their original state under the Building Plans and if the defaulting Owner of House shall fail to comply with the Manager's demand, the Manager shall have the rights to take such steps as it may in its absolute discretion consider necessary to secure compliance with the aforesaid covenants. The defaulting Owner of House shall pay to the Manager all costs incurred by the Manager for and in relation to the steps taken by the Manager for the aforesaid purpose.

#### SECTION V

#### COVENANTS AND PROVISIONS APPLICABLE TO OWNERS OF HOUSES

- 1. All Houses shall not be used for any purpose other than for domestic purposes and in particular shall not be used as an apartment house or for any form of commercial letting or occupancy in bed spaces or cubicles.
- 2. No Owners of Houses except the Owners of Houses having the exclusive right to occupy any balcony(ies) (if any) or utility platform(s) (if any) or flat roof (sky garden) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or part thereof shall have the right to use the balcony(ies) (if any) or utility platform(s) (if any) or flat roof (sky garden) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or part thereof except only for escape in the event of fire or emergency. No Owner of House shall erect or place or cause or permit to be erected or placed any advertising sign or illegal structure on any balcony(ies) (if any) or utility platform(s) (if any) or flat roof (sky garden) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any), or front garden(s) (if any) or garden(s) (if any) or filtration plant pit(s) (if any) or filtration plant room(s) (if any) or garage(s) for parking of motor vehicle(s) including but not limited to golf cart(s) and/or service vehicle(s) (if any) or A/C plant room(s) (if any) or electric room(s) (if any) or any part thereof and the Manager shall have the right to remove anything erected or placed on any balcony(ies) (if any) or utility platform(s) (if any) or flat roof (sky garden) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or filtration plant pit(s) (if any) or filtration plant room(s) (if any) or garage(s) for parking of motor vehicle(s) including but not limited to golf cart(s) and/or service vehicle(s) (if any) or A/C plant room(s) (if any) or electric room(s) (if any) in contravention of this provision at the costs and expenses of the Owners of Houses having the exclusive right to occupy the balcony(ies) (if any) or utility platform(s) (if any) or flat roof (sky garden) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or filtration plant pit(s) (if any) or filtration plant room(s) (if any) or garage(s)

for parking of motor vehicle(s) including but not limited to golf cart(s) and/or service vehicle(s) (if any) or A/C plant room(s) (if any) or electric room(s) (if any).

- 3. No balcony(ies) (if any) or utility platform(s) (if any) or flat roof (sky garden) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) shall be enclosed or obstructed which in any way shall contravene the Buildings Ordinance (Cap. 123), the regulations of the Fire Services Department or other competent authority concerned from time to time in force and the Owner of House for the time being of any balcony(ies) (if any) or utility platform(s) (if any) or flat roof (sky garden) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or any part thereof shall ensure that access to the balcony(ies) (if any) or verandah(s) (if any) or flat roof (sky garden) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or any part thereof shall ensure that access to the balcony(ies) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or patio garden(s) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or spatio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) or spatio garden(s) (if any) or front garden(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) shall at all times remain open and unobstructed.
- 4. No Owner of House shall erect, affix, install or attach or permit or suffer to be erected affixed installed or attached in or on or at the door or doors or entrance or entrances of any House any metal grille or shutter or gate which shall in any way contravene the regulations of the Fire Services Department or other competent authority concerned from time to time in force and/or which may in any way impede the free and uninterrupted passage over through and along any of the Village Common Areas. Prior to the installation thereof, the Owner of House shall first obtain the approval in writing of the Manager of the design of any metal grille or shutter or gate.
- 5. No Owner of House shall erect, affix, install or attach or permit or suffer to be erected, affixed, installed or attached in or on or to be displayed from any House any sign of any description (except a small name plate outside the entrance door giving the name of the Owner of House or the occupier of the House) without the prior written approval of the Manager. Any such approval may be given subject to such conditions as the Manager may specify and shall be subject to revocation on reasonable notice.

- 6. No part of the Village Common Areas shall be obstructed or encumbered nor shall any refuse, matter or other thing be placed thereon nor shall any part of such Village Common Areas be used for any business or private purpose and no Owner of House shall do or permit or suffer to do anything in such Village Common Areas as may be or become a nuisance or cause annoyance to any other Owners or occupiers of the Village.
- 7. No Owner of House shall store or permit to be stored in any House any hazardous, dangerous or combustible goods or materials except such as may be reasonably required for the purpose of domestic cooking and heating.
- 8. No Owner of House shall enclose, except by fencing approved by the Manager, its own balcony(ies) (if any) or utility platform(s) (if any) or flat roof (sky garden) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any).
- 9. The Owners of Houses who have a common fence wall adjoining the gardens of their respective Houses shall each have the right to the use of the interior surface of the fence wall on his side. No Owner of House shall use any portion of the fence wall so as to interfere with the use and enjoyment of the other Owners of Houses. No Owner of House shall erect any fence or any structure or protrusion (such as spikes or wire) on top of the fence wall without the written consent of the other Owners of Houses and the written consent of the Manager. No Owner of House shall put structures of any kind (such as fish ponds) so near to the fence wall as to cause leakage of water to the other side of the fence wall or as to be likely to cause the fence wall to collapse. If the fence wall or any portion thereof, except the interior surface of one side, is damaged or injured from any cause other than the act or negligence of either party, it shall be repaired or rebuilt at their joint cost and expense. Upon mutual agreement between the Owners of Houses who have such common fence wall, the common fence wall may be altered, varied, demolished, removed or rebuilt at their joint costs and expenses.
  - 10. Each Owner of House shall have the right to use the interior surface of the party walls dividing his House from the neighbouring Houses. No Owner of House

shall use any portion of such party walls so as to interfere with the use and enjoyment of the other Owners of Houses. Except for the interior surface of such party walls which shall be repaired and maintained by the relevant Owner of House at his sole cost and expense, all such party walls shall be repaired and maintained at the joint cost and expense of the relevant Owners of Houses sharing in common such party walls.

- 11. No Owner of House may cover with any structure the balcony(ies) (if any) or utility platform(s) (if any) or flat roof (sky garden) (if any) or terrace(s) (if any) or verandah(s) (if any) or patio garden(s) (if any) or front garden(s) (if any) or garden(s) (if any) within the compounds of his House without having obtained the Manager's prior written consent.
- 12. All slopes or terraces (if any) of any House shall be maintained in accordance with "Geoguide 5 – Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and the slope maintenance manual prepared in accordance with Geoguide 5 whenever it is applicable.
- 13. No Owner of House shall cut, maim, injure, damage, alter affix, interfere with or in any other way affect or permit or suffer to be cut, maimed, injured, damaged, altered, affixed or interfered with or in any other way affected the Slopes and Retaining Walls (including the portion(s) thereof situate within his House) or any part or parts thereof or do anything whereby the structural strength or stability of any part of the Slopes and Retaining Walls may be affected and no Owner of House shall do or permit or suffer to be done and each Owner of House shall take all possible steps to prevent his tenants, occupiers or licensees from doing any act, deed, matter or thing which in any way interferes with or affects or which is likely to interfere with or affect the management and maintenance of the Slopes and Retaining Walls. In the event of the covenant contained in this Clause being in breach, the Manager without prejudice to the rights of the other Owners of Houses and the Manager shall have the right to demand the Owner of House in default to, and the Owner of House in default shall, engage suitable qualified personnel to make good any damage caused thereby to that part of the Slopes and Retaining Walls at his

own cost in compliance with "Geoguide 5 – Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and the slope maintenance manual prepared in accordance with Geoguide 5 whenever it is applicable and if the Owner of House in default shall fail to comply with the Manager's demand, the Manager shall have the rights to take such steps as it may in its absolute discretion consider necessary to secure compliance with the aforesaid covenants and to carry out inspection, testing, replacement, repairing, maintenance and/or reinstatement works and to engage suitable qualified personnel to make good any damage caused by the Owner of House in default. The Owner of House in default shall pay and indemnify the Manager from and against all costs and expenses incurred by the Manager for and in relation to the steps taken by the Manager and in connection with any inspection, testing, replacement, repairing, maintenance and/or reinstatement works for the aforesaid purpose.

### SECTION VI

### MANAGEMENT EXPENSES AND POWERS OF MANAGER

- (a) Discovery Bay Services Management Limited shall be appointed as Manager of the Village in accordance with the Principal Deed and each Owner of House hereby appoints the Manager irrevocably as attorney to enforce the provisions of this Sub-Deed and each Owner of House hereby covenants not to enforce the terms of this Sub-Deed otherwise than through the Manager subject to the provisions in the Principal Deed contained and all powers duties and rights of the Manager as provided in Section IV of the Principal Deed shall apply to the management of the Village.
  - (b) Notwithstanding anything contained in Clause C1 of Section IV of the Principal Deed, the Manager agrees that it shall not exercise its right under the said clause to effect any increase in the Manager's Remuneration such that the Manager's Remuneration exceeds 5% (or such other percentage that has already been approved by the City Owners' Committee) of the total expenditure for the total management costs of the City and of the Villages and Car Parking Spaces of the City without the prior approval of the City Owners' Committee.
- 2. Without prejudice to the powers and rights of the Manager as provided in Section IV of the Principal Deed, the Manager shall have, in connection with its proper management of the Village, the full right and liberty to lease, license, install, maintain and operate or contract for the leasing, licensing, installation, maintenance and operation of the telecommunication transmitters and receivers, tuners, satellite dishes and the ancillary equipment and connections thereto, broadcast reception, information distribution or communication systems including, without limitation, satellite master antennae systems, communal aerial broadcast distribution systems, microwave distribution systems, cable and wireless communications systems and transmission and transponder systems, antennae, aerial dishes, lightning conductors and lighting and other fixtures of whatsoever kind on any part or parts of the Village Common Areas provided always that nothing herein contained shall in any way fetter or

prejudice the operation of Sections 19B and 36AA of the Telecommunications Ordinance (Cap.106) And Provided Further that any contracts for the installation or use of aerial broadcast distribution or telecommunications network facilities and contracts for the provision of broadcast distribution network or telecommunications network services to be entered into by the Manager shall be subject to the following conditions :-

- (a) the term of the contract will not exceed 3 years;
- (b) the rights to be granted under the contract shall be non-exclusive and shall provide for sharing the use of the facilities and network with other service providers; and
- (c) no Owner of House is required to make any payment in any form attributable to the installation or provision of the facilities or services, unless he is a subscriber to the relevant service.

This proviso shall not apply to the contracts for the maintenance of the system for distribution of off-air TV and free-to-air SMATV signals.

- 3. For the purpose of determining the contributions to be made by each Owner of the Village to the Management Expenses, and to the expenditure of the inspection and collective renovation exercise referred to in Clauses 31 and 32 of Section IV of this Sub-Deed and to the costs, management expenses and charges reasonably and necessarily incurred or to be incurred for the management and maintenance of the City, there shall be allocated to each House the number of Management Units set opposite such House in the Third Column of the First Schedule hereto.
- 4. The Manager shall prepare :-
  - (a) annual budget(s) showing the estimated net expenditure in respect of the Village which shall cover (i) the estimated Management Expenses which in the opinion of the Manager are attributable to the Village or for the benefit of all the Owners of Houses in respect of the operation, maintenance, repair, cleaning, lighting and security of the Village Common Areas and the Village Common Facilities; and (ii) a fair portion of the estimated Management

Expenses which in the opinion of the Manager are attributable to the Village or for the benefit of all the Owners of Houses in respect of the operation, maintenance, repair, cleaning, lighting and security of the City Common Areas, the City Common Facilities and the City Retained Areas which are identified and designated under this Sub-Deed by virtue of Clause 8(f) of Section I of the Principal Deed;

- (b) an annual budget showing the estimated net expenditure in respect of the City other than the car parks therein together with the amount to be apportioned to the Village in accordance with the provisions of Subsection D of Section IV of the Principal Deed; and
- (c) a budget showing the estimated net expenditure of the inspection and collective renovation exercise referred to in Clauses 31 and 32 of Section IV of this Sub-Deed.

The Manager shall have the right to decide and allocate the expenditure mentioned in Clause 4(a) of Section VI of this Sub-Deed (i) as among Management Expenses of the Village Common Areas and the Village Common Facilities and (ii) the portion of Management Expenses of the City Common Areas, the City Common Facilities and the City Retained Areas which are identified and designated under this Sub-Deed by virtue of Clause 8(f) of Section I of the Principal Deed which in the opinion of the Manager are attributable to the Village or for the benefit of all the Owners of the Houses and such decision and allocation shall be binding, save for manifest error, on the Owners of Houses. The Manager shall also have the right to decide and allocate the expenditure mentioned in Clause 4(c) of Section VI of this Sub-Deed as among the expenditure of the Houses, the Village Common Areas and the Village Common Facilities in accordance with the proportion borne by the number of Management Units of each House to the total number of Management Units of the Village and such decision and allocation shall be binding, save for manifest error, on the Owners of Houses. 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 provide such decision and allocation is made in good faith the same shall be binding save for manifest error on the Owners. For the avoidance of doubt, the Right of Way shall be repaired and maintained by the Registered Owner at his sole cost and expense.

- 5. Each Owner of House shall contribute to the amount assessed under the annual (a) budget prepared under Clause 4(a) of Section VI of this Sub-Deed and the annual budget prepared under Clause 4(b) of Section VI of this Sub-Deed in the proportion which the number of the Management Units allocated to the part or parts of the Village owned by him bears to the total number of the Management Units of the Village Provided however that notwithstanding any provisions to the contrary herein contained no Owner of House may be called upon to pay more than his appropriate share of the Management Expenses having regard to the number of Management Units allocated to the part or parts of the Village owned by him. The sum payable shall be recalculated regularly as provided in this Sub-Deed and Provided Further That if the total contributions receivable as aforesaid by the Manager shall be insufficient to meet the costs and expenses for the management and maintenance of the City and the Village, then the Owners of Houses will make good a due proportion of the deficiency by making a further contribution to the Manager as is necessary to cover such costs and expenses, such further contribution being in the same proportion to the total deficiency as the contribution of the Owners of Houses to the overall costs calculated as provided in this Sub-Deed bears to the total of such overall costs.
  - (b) Each Owner of House shall contribute the amount assessed under the budget prepared under Clause 4(c) of Section VI of this Sub-Deed in the proportion which the number of the Management Units allocated to the House owned by him bears to the total number of the Management Units of the Houses Provided however that notwithstanding any provisions to the contrary herein contained no Owner of House may be called upon to pay more than his appropriate share of the Management Expenses having regard to the number of Management Units allocated to the House owned by him. If the total contributions receivable as aforesaid by the Manager shall be insufficient to meet the costs and expenses for the collective renovation exercise, then the Owners of Houses shall make good a due proportion of the deficiency by making a further contribution to the Manager as is necessary to cover such costs and expenses, such further contribution being in the same proportion to the total deficiency as the contribution of the Owners of Houses to the overall costs calculated as

provided in this Sub-Deed bears to the total of such overall costs.

- (c) The Registered Owner shall make payments and contributions for those expenses which are of a recurrent nature in respect of those Houses and undivided shares unsold, provided however that the Registered Owner will not be obliged to make payments and contributions aforesaid in respect of those Houses and undivided shares allocated to a separate building or phase, the construction of which has not been completed, except to the extent that the building or phase benefits from provisions in this Sub-Deed as to management and maintenance of the Village.
- (d) All outgoings (including Government rent, rates, management expenses) up to and inclusive of the date of the first assignment by the Registered Owner of each House shall be paid by the Registered Owner and no Owner of House shall be required to make any payment or reimburse the Registered Owner for such outgoings. Without prejudice to any provisions contained in this Sub-Deed, no person shall, after ceasing to be an Owner of House of any Undivided Share, be liable for any debts, liabilities or obligations under the covenants and provisions of this Sub-Deed in respect of such Undivided Share and the part of the Village held therewith except in respect of any breach, non-observance or non-performance by such person of any such covenants or provisions prior to his ceasing to be the Owner of House thereof.
- 6. Where any expenditure relates principally to the Village or any part or parts thereof (and whether it so relates shall be exclusively decided by the Manager save for manifest error), the expenditure shall form part of the expenditure of the Village and shall be borne by the Owners of Houses according to the number of Management Units allocated to the part or parts of the Village owned by them respectively.
- 7. Where there is any expenditure which relates to the Village as well as to the other village(s) adjacent to the Village ("Other Portion(s)") in relation to service(s) to the Village as well as to the Other Portion(s), the Manager shall allocate such expenditure as between the Management Expenses of the Village and the Management Expenses of the Other Portion(s) in proportion to the number of Management Units allocated to the Village and the Other Portion(s) respectively. The Owners of Houses shall pay a

due proportion of the expenditure allocated to the Management Expenses of the Village pursuant to this clause according to the number of Management Units allocated to the part or parts of the Village owned by them respectively.

- 8. Notwithstanding anything to the contrary contained in these presents, where any expenditure relates to or is for the benefit of any House(s) ("Relevant House(s)") (and whether it so relates shall be exclusively decided by the Manager save for manifest error) and no other Owner of House would receive any material benefit therefrom, the full amount of such expenditure shall be paid by the owner(s) of the Relevant House(s) according to the number of Management Units allocated to the Relevant House(s).
- 9. Except where the Registered Owner has made payments in accordance with Clause 17 of Section VI of this Sub-Deed, upon the assignment of the House from the Registered Owner, each first Owner of House is required to pay to the Manager (i) two months' management fee as his initial contribution to the Reserve Fund which is neither refundable nor transferable; and (ii) an Improvement Fund for the Village equivalent to one month's management fee which is neither refundable nor transferrable upon completion of the sale and purchase of a House.
- 10. Except where the Registered Owner has made payments in accordance with Clause 17 of Section VI of this Sub-Deed, upon the assignment of the House from the Registered Owner, each first Owner of House shall in addition to the amounts payable under Clause 9 of Section VI of this Sub-Deed (i) deposit and maintain with the Manager a sum equivalent to three months' management fee contributions by him under this Sub-Deed as security against his liabilities under this Sub-Deed and such sum shall not be set off against contribution to be made hereunder and shall only be transferable but not refundable and (ii) pay the Manager a sum equivalent to two months' management fee contribution by him under this Sub-Deed as payment in advance of the first two months' management fee contribution and such sum shall be transferable but not refundable.
- 11. In the event of any Owner of House failing to pay any sum due and payable by him in accordance with the provisions of this Sub-Deed, the Manager shall have the right

(without prejudice to any other right or remedy hereunder) in its absolute discretion to deduct the amount so payable from the deposit held from such Owner under Clause 10(i) of Section VI of this Sub-Deed and to apply the amount so deducted towards payment of the sum payable by such Owner as aforesaid. The Manager shall have the right to demand an Owner of House to pay the difference in order to maintain the deposit under Clause 10(i) of Section VI of this Sub-Deed to a sum equivalent to three months' management fee contributions by him.

- 31. 12. Subject to the provisions of the Ordinance, the Manager shall have the authority to do all such acts and things as may be necessary or expedient for the management of the Village for and on behalf of all the Owners of Houses in accordance with the provisions of this Sub-Deed and each Owner of House irrevocably appoints the Manager as agent in respect of any matter concerning the City Common Areas, the Village Common Areas, the City Common Facilities and all other matters duly authorized under this Sub-Deed.
- 13. The Manager shall have the right and power to (i) forbid any Owner of House who defaults in payment of any amount due under the provisions of this Sub-Deed or otherwise fails to observe and perform any of the terms and conditions herein contained from using the Village Common Facilities and (ii) discontinue providing management services to such Owner until such breach has been rectified to the reasonable satisfaction of the Manager Provided that notwithstanding anything contained in the Principal Deed or in this Clause, the Manager shall not interrupt the supply of electricity, water, gas, telecommunications, or other utilities which are provided to such House or prevent access thereto.
- 14. Subject as otherwise provided in this Sub-Deed, the Manager shall have the authority to give or withhold its written consent or approval to anything which requires its written consent or approval pursuant to this Sub-Deed provided that the Manager shall act reasonably in giving or withholding such written consent or approval and where any consent or approval is required from the Manager by an Owner of House, the Manager shall be entitled to charge the Owner concerned a reasonable administrative fee for granting any consent required from the Manager pursuant to this Sub-Deed which shall be paid into the Reserve Fund.

- 15. The Manager shall have the power to make Village Rules before the formation of the Village Owners' Committee for the purpose of regulating the use, operation and maintenance of the Village including the Village Common Areas and the Village Common Facilities and the conduct of persons occupying, using or visiting the same. The Manager shall have the power from time to time to revoke and amend the Village Rules. Provided that notwithstanding anything contained in the Principal Deed or in this Clause, the Manager shall not revoke or amend the Village Rules except with the prior approval of the Village Owners' Committee (if formed). The Village Rules and any amendments thereto must not be inconsistent with or contravene the Principal Deed, this Sub-Deed, the City Rules, the Ordinance or the Government Grant.
- 16. The Owners of Houses shall each deposit and maintain with the Manager a refundable decoration deposit of HK\$10,000 or such smaller sum as may be determined by the Manager from time to time as security for the due observance and performance by the Owners of Houses when fitting out their Houses of the fitting out procedure prescribed by the Manager. Such decoration deposit shall be refunded by the Manager without interest to the Owners of Houses after completion of the fitting out/decoration by such Owners of Houses and upon the Manager being satisfied that this is the case. In this connection, the Owners of Houses shall as soon as practicable after completion of the said fitting out/decoration notify the Manager in writing of the same.
- 17. Notwithstanding anything contained in this Sub-Deed, the Registered Owner shall only be obliged to contribute to the Reserve Fund, the Improvement Fund, the decoration deposit and the various deposits and advance payments provided under Clauses 9 and 10 of Section VI of this Sub-Deed in respect of any House which remain(s) unsold after a period of three (3) months from the date of this Sub-Deed or the date on which the Registered Owner is in a position validly to assign those Undivided Shares allotted, whichever is the later. For the purpose of this Clause, a House shall be considered as remaining unsold where no agreement for sale and purchase has been entered into between the Registered Owner and a prospective purchaser in respect of such House.

- 18. The management expenditure which is to be expended by the Manager for effecting any improvement to the Village Common Areas, and the Village Common Facilities shall not exceed ten per cent (10%) of the current annual management budget in respect of the Village, save with the prior approval by a resolution of the Owners of Houses in a meeting of the Owners of Houses convened under this Sub-Deed.
- 19. Subject to the provisions in Schedule 7 to the Ordinance, the procurement of supplies, goods, or services by the Manager or the Village Owners' Committee that involves (a) an amount in excess of or likely to be in excess of \$200,000.00 or such other sum as the Secretary for Home Affairs may specify by notice in the Gazette or (b) an amount which is or likely to be more than 20% of the annual management budget in respect of the Village or such other percentage as the Secretary for Home Affairs may specify by notice in the Gazette, whichever is the lesser, must be by invitation to tender and the standards and guidelines as may be specified in the Code of Practice referred to in section 20A of the Ordinance will apply to the Manager or the Village Owners' Committee with any appropriate variations. Service as provided by the Manager may include such value added services provided, at the discretion of the Manager on a non-compulsory and user-pay basis, for the benefit of the Owners of Houses including but without limited to limousine, shuttle bus to and from Discovery Bay, arrangement of car rental and butler services. For the avoidance of doubt, this clause shall not apply to procurement of supplies, goods or services where the full amount of expenditure which exceeds the amount specified in (a) or (b) above (whichever is the lesser) is subsidised at the sole discretion of the Registered Owner.
- 20. The Manager shall have power to provide appropriate and sufficient waste separation and recovery facilities including, but not limited to, waste separation bins at such locations within the Village Common Areas as it may consider suitable and convenient to facilitate waste separation and recovery by the Owners and the occupiers of the Village. The Manager shall use all reasonable endeavours to ensure that the waste separation and recovery facilities so provided shall consist of material that will not cause any fire hazard and shall be placed in such locations so as not to cause obstruction to any fire escape route and, to the extent that recycling facilities are reasonably available, recyclable materials recovered from the waste separation and recovery facilities or through the regular cleansing process shall be properly collected,

stored, and sent for recycling. The Manager shall maintain the waste separation and recovery facilities in an environmentally acceptable and hygienic manner to avoid creating nuisance to the Owners and the occupiers of the Village.

- 21. The Manager shall have power to organize any activities as it may consider appropriate on a regular basis to promote the environmental awareness of the Owners and the occupiers of the Village and to encourage such Owners and occupiers of the Village to participate in such activities with a view to improving the environmental conditions of the Village.
- 22. The Manager shall have power to make Village Rules to protect the environment of the Village and to implement waste reduction and recycling measures with reference to guidelines on property management issued from time to time by the Director of Environmental Protection.
- 23. The Manager shall have the power and duty to :-
  - (a) inspect, maintain and carry out all necessary works for the maintenance of the Works and Installations; and
  - (b) provide a suitable CCTV imaging device and trained personnel to operate the device, or secure a contract with a service provider for conducting inspection of the concealed drainage pipes by a suitable CCTV imaging device, and to arrange regular inspection of the subject pipework on a specified interval as proposed by the Authorized Person to alert any early signs of water leakage and pipe joints/pipe brackets conditions.
- 24. In respect of the Reserve Fund: -
  - (a) All monies received for the Reserve Fund shall be deposited in an interest bearing account at a bank within the meaning of Section 2 of the Banking Ordinance (Cap.155) the title of which shall refer to the Reserve Fund for the Village and held by the Manager on trust for all the Owners of Houses. All sums in the Reserve Fund shall be the property of the Owners of Houses. Reference shall be made to the Reserve Fund in the annual account(s) in respect

of the management of the Village and an estimate shall be made in such account(s) of the time when there will be a need to draw on the Reserve Fund, and the amount of money that will be then needed.

- (b) Each Owner of House covenants with the other Owners of Houses that he shall make further periodic contributions to the Reserve Fund. The Annual General Meeting of the Owners of Houses shall by resolution of the Owners of Houses decide the amounts to be contributed by the Owners of Houses to the Reserve Fund for the ensuing year and the time when those contributions will be payable.
- (c) Except in a situation considered by the Manager to be an emergency, money must not be paid out of the Reserve Fund unless it is for a purpose approved by a resolution of the Village Owners' Committee (if any). The Manager must not use the Reserve Fund for the payment of any outstanding management expenditure arising from or in connection with the day-to-day management of the Village.
- (d) The payments made by the Owners of Houses towards the Reserve Fund are neither refundable to any Owner of House by the Manager nor transferable to any new Owner of House.
- 25. The Manager shall have the power to maintain and upkeep the Switch Room and Transformer Room in good repair and condition and replace or renew any parts that may need replacement or renewal.
- 26. Subject to Clause 19 of Section VI of this Sub-Deed, if the Manager shall in its discretion deem fit, it may operate or contract for the operation of shuttle bus services and/or limousine services to and from Discovery Bay and/or within Discovery Bay for the use and benefit of the Owners of Houses and the occupiers of the Houses during such times and at such intervals and to such destinations as the Manager may think appropriate and charge the users of the services such fares as the Manager may think reasonable. The costs and expenses incurred hereunder shall form part of the Management Expenses and any fares collected hereunder shall be credited to the Management Funds of Houses. If the operation of shuttle bus services is for the use and benefit of the Owners of Houses and the occupiers of the Houses as well as the Owners and the occupiers of other village(s) of the Lot ("Other Village(s)"), the

Manager shall allocate the net expenditure or (as the case may be) the net surplus arising from such operation as between the Management Expenses (in the case of net expenditure) or the Management Funds (in the case of net surplus) of the Houses and the Management Expenses (in the case of net expenditure) or the Management Funds (in the case of net surplus) of the Other Village(s) in proportion to the number of Management Units allocated to the Houses and the Other Village(s) respectively.

- 27. Notwithstanding Clause 2(c) of Section III of this Sub-Deed but subject to Clause 19 of Section VI of this Sub-Deed, the Manager shall have the power to provide or procure to provide value-added services at its discretion to the Owners of Houses and/or the occupiers of the Houses and the expenses shall form part of the Management Expenses.
- 28. Unless otherwise directed by the Owners' Corporation, the Manager shall insure and keep insured and update to the full new reinstatement value in respect of the Village Common Areas and the Village Common Facilities and all parts thereof and in particular against loss or damage by fire or other perils and to effect insurance against public liability, occupiers' liability and employer's liability in respect of employees employed within or exclusively in connection with the management of the Village and other liabilities in such items or in such amounts as the Manager may think fit such insurance to be in the name of the Manager itself for and on behalf of all the Owners of Houses according to their respective interests and to pay all premia required to keep such insurance policies in force.
- 29. Subject to the provisions of the Ordinance, the Manager shall have the authority to act for and on behalf of all the Owners of Houses in accordance with the provisions of this Sub-Deed and all acts and decisions of the Manager arrived at in accordance with the provisions of this Sub-Deed in respect of any of the matters aforesaid shall be binding in all respects on all the Owners of Houses for the time being.
- 30. For the avoidance of doubt, no provision of this Sub-Deed shall operate to exclude, or shall be construed to have the effect of excluding, the liability of the Manager to the Owners of Houses for any act or omission involving criminal liability, dishonesty or negligence of the Manager or his employees, agents or contractors and no provision of

this Sub-Deed shall operate to require, or shall be construed to have the effect of requiring, any Owner of House to indemnify the Manager or his employees, agents or contractors from and against any action, proceedings, claim and demand whatsoever arising out of or in connection with any such act or omission.

# SECTION VII A. MEETINGS OF OWNERS OF HOUSES

- 1. The Manager shall convene the first meeting of the Owners of Houses as soon as possible but in any event not later than nine (9) months after the date of this Sub-Deed (and to convene further and subsequent meetings if required) to appoint a Village Owners' Committee, the Chairman and the Vice-Chairman, and to elect not less than three members but not more than five members to the Village Owners' Committee for a term of two (2) years and to transact business to be tabled at the meeting.
- 2. A biennial general meeting shall be convened by the Manager and shall be held once in every two (2) calendar years and the Owners of Houses shall meet in such biennial general meeting for the purpose of electing such officers as aforesaid and transacting any other business of which due notice is given in the notice convening the meeting.
- 3. (a) A meeting of the Owners of Houses, other than the biennial general meeting of the Owners of Houses, may be convened at any time by :
  - (i) the Manager;
  - (ii) the Village Owners' Committee; or

(iii) an Owner of House appointed to convene such a meeting by the Owners of Houses who in aggregate have vested in them for the time being not less than five per cent (5%) of the total number of Undivided Shares of the Village.

(b) The person convening the meeting of the Owners of Houses shall, at least 14 days' before the date of the meeting, give notice in writing to the Owners of Houses specifying the date, time and place of the meeting and the resolutions (if any) that are to be proposed. Such notice may be given by delivering it personally to the Owners of Houses; or by sending it by post to the Owners of Houses at his last known address; or by leaving it at his House or by depositing it in the letter box for his House. A meeting for the removal of Chairman and/or Vice-Chairman of the Village Owners' Committee, after the current Chairman or Vice-Chairman ceases to hold office under Clause 10 of Part B of this Section VII, shall only be convened by the Village

Owners'Committee or by an Owner of House appointed to convene such a meeting by the Owners of Houses who in aggregate have vested in them for the time being not less than five per cent (5%) of the total number of Undivided Shares of the Village.

- 4. The Undivided Shares allocated to the Village Common Areas and the Village Common Facilities shall not carry any voting rights at any meeting whether under this Sub-Deed, the Ordinance or otherwise or liability to pay any fees or charges under this Sub-Deed. Such Undivided Shares shall not be taken into account for the purpose of calculating the quorum of any meeting under this Sub-Deed, the Ordinance or otherwise. For the avoidance of doubt, the Undivided Shares allocated to the City Common Areas shall not carry any voting rights in any meeting under this Sub-Deed but nothing herein shall prejudice the rights of the Registered Owner under Clause 11 of Section VII of the Principal Deed in any meeting of the City Owners' Committee.
- 5. The Manager shall send to the meetings a secretary who shall keep a record of the persons present at the meetings and the proceedings thereof.
- 6. (a) The Owners of Houses shall be entitled to notice of meetings of the Owners of Houses or to attend or vote at any such meeting.
  - (b) In case of any Owner of House being entitled to attend and vote and being a corporate body, any representative appointed by such Owner of House shall be entitled to attend and vote on behalf of such Owner of House. Such appointment shall be in writing addressed to the Manager and may be revoked at any time on notice in writing being given to the Manager.
  - (c) The Manager shall be represented at the meetings by a duly appointed representative.
- A meeting of the Owners of Houses shall be presided over by the Chairman of the Village Owners' Committee, or if the meeting is convened under Clause (3)(a)(i) or (3)(a)(iii) of this Section, the person convening the meeting.

- 8. (a) No business shall be transacted at any time unless a quorum is present in person or by proxy when the meeting proceeds to business and the quorum at a meeting of Owners of Houses shall be 10% of the Owners of Houses.
  - (b) For the purposes of this Clause 8(a) of this Section, the reference in that Clause to "10% of the Owners of Houses" shall :-
    - be construed as a reference to 10% of the number of persons who are the Owners of Houses without regard to their ownership of any particular percentage of the total number of Undivided Shares into which the Village is divided; and
    - (ii) not be construed as the Owners of Houses of 10% of the Undivided Shares in aggregate.
- 9. All resolutions put to the vote of the meeting shall be decided by poll.
- 10. Every Owner of House including the Registered Owner in respect of every Undivided Share of the Village owned by him shall have one vote for every Undivided Share of the Village held by him. Votes may be given either personally or by proxy or by a duly authorised representative of the Owner of House.
- 11. If an Undivided Share of the Village is owned by two (2) or more persons, any vote in respect of that Undivided Share of the Village may be cast :-
  - (a) by a proxy jointly appointed by the co-owners;
  - (b) by a person appointed by the co-owners from amongst themselves; or
  - (c) if no appointment has been made under sub-paragraphs (a) and (b), either by one of the co-owners personally or by a proxy appointed by one of the co-owners. In the case of any meeting where more than one of the co-owners seeks to cast a vote in respect of the Undivided Share, only the vote that is cast, in person or by proxy, by the co-owner whose name, in order of priority, stands highest in relation to that Undivided Share in the register kept at the Land Registry shall be treated as valid.

- 12. In the case of an equality of votes, the person presiding over the meeting shall have a second or casting vote.
- 13. An instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A to the Ordinance, and shall be signed by the Owner of House or, if the Owner of House is a body corporate, shall notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of that body corporate and signed by a person authorized by the body corporate in that behalf. The instrument appointing a proxy shall be lodged with the Chairman of the Village Owners' Committee or, if the meeting is convened under Clauses 3(a)(i) or 3(a)(iii) of this Section VII, the person convening the meeting, at least 48 hours before the time for the holding of the meeting. A proxy appointed by an Owner of House to attend and vote on behalf of the Owner of House, shall, for the purposes of the meeting, be treated as being the Owner of House present at the meeting.
- 14. An Owner of House who has failed to pay his due proportion of the Management Expenses shall not be entitled to be present or to vote at any meeting of the Owners of Houses.
- 15. All resolutions passed at a meeting duly convened and held shall be binding on all the Owners of Houses insofar as the Village is concerned but such resolutions shall not be binding on the Manager or conflict with the provisions of this Sub-Deed, the Principal Deed, the Government Grant or the City Rules or any decision of the City Owners' Committee.
- 16. The purpose of such meetings, in addition to the election of officers of the Village Owners' Committee as aforesaid, shall be to discuss matters relating to the Village. Prior to the formation of the Owners' Corporation, the Owners of Houses attending such meetings shall have the power to pass a resolution to require the Manager to appoint an independent auditor nominated by such Owners of Houses to audit the annual accounts prepared by the Manager.
- 17. The Chairman, or in his absence the Vice-Chairman, shall represent the Village in the City Owners' Committee.

- 18. The Chairman, the Vice-Chairman and any other officer of the Village Owners' Committee shall be elected in the following manner. The candidates for election shall be proposed and seconded by any Owners of Houses present in person or by proxy at the meeting. As soon as all candidates have been proposed and seconded and provided that such candidates consent to be elected, their names will be put before the meeting who will vote thereon PROVIDED THAT where the current Chairman or in his absence, the current Vice-Chairman of the Village Owners' Committee offers himself for election as the Chairman of the Village Owners' Committee, he shall not chair any meeting at which such election shall take place, in which case any Owner of House (or in the case of an Owner of House being a corporate body, the representative appointed by such Owner of House) not standing for such election or the Manager or a duly appointed representative of the Manager This Clause 18 shall also apply to election of new shall chair such meeting. Chairman or Vice-Chairman of the Village Owners' Committee after the current Chairman or Vice-Chairman ceases to hold office under Clause 10 of Subsection B of this Section VII. The elected new Chairman or Vice-Chairman shall hold office up to the end of the current term but such person may offer himself for re-election in accordance with this Clause 18.
- 19. The procedure at a meeting of Owners of Houses shall be as is determined by the Owners of Houses.

### B. MEETINGS OF THE VILLAGE OWNERS' COMMITTEE

- The Chairman, Vice-Chairman and members of the Village Owners' Committee (hereinafter referred to as "the Committee") elected in accordance with the provisions of Subsection A of Section VII of this Sub-Deed and the Manager or its representative shall be the Village Owners' Committee, which shall, unless the Committee otherwise resolves, meet not less than once a year.
- 2. The meeting of the Committee shall be convened by the Manager who shall, at least 7 days before the date of the meeting, give notice of the meeting to each member of the Village Owners' Committee, and that notice shall specify the place, date and time of

the meeting and the resolutions (if any) that are to be proposed at the meeting.

- 3. The Manager shall send to the meetings a secretary who shall keep a record of the persons present at the meetings and the proceedings thereof.
- 4. The Manager may be represented at the meetings by a duly appointed representative.
- 5. The Chairman or any two (2) members may request the Manager to convene a meeting and the Manager shall, upon such request, convene the meeting in accordance with the provisions of Clause 2 of Subsection B of Section VII of this Sub-Deed.
- 6. No business shall be transacted at any time unless a quorum is present. The quorum at a meeting of the Village Owners' Committee shall be fifty per cent (50%) of the members of the Village Owners' Committee (rounded up to the nearest whole number) or 3 such members, whichever is the greater.
- 7. All resolutions put to the vote of the meeting shall be decided by a simple majority. Each member shall have one (1) vote and votes can be given either in person by members present at the meeting or, where any member is not present in person at the meeting (the "absentee member"), either by a representative of the Manager appointed for this purpose by the absentee member or by an alternate member appointed for this purpose by the absentee member provided that such alternate member must also be a member of the Committee. For the avoidance of doubt, such representative of the Manager appointed for this purpose by the absentee member or such alternate member member present at the meeting shall be entitled to vote on behalf of the absentee member in addition to his entitlement to vote in his own right as a member of the Committee.
- 8. All resolutions passed at a meeting of the Committee duly convened and held shall be binding on all the Owners of Houses insofar as the Village is concerned but such resolution shall not be binding on the Manager or conflict with the provisions of the Government Grant, the Principal Deed or this Sub-Deed, the City Rules or any decision of the City Owners' Committee.

- 9. The purpose of a meeting of the Committee shall be to discuss matters relating to the Village, to fill any casual vacancy which may occur in the post of the Chairman and Vice Chairman of the Committee but any person appointed to fill such position shall vacate such position at the conclusion of the next meeting of the Owners of Houses (if any) convened in the manner set out in Clause 3 of Subsection A of Section VII, but such person may offer himself for re-election in accordance with Clause 18 of Subsection A of Section VII of this Sub-Deed, to give directions and advice to the Chairman or Vice-Chairman on any issue before or expected to come before the City Owners' Committee, to make suggestions for the amendment, deletion or addition to the Village Rules and to decide on and undertake such duties as the Manager may delegate to the Committee.
- 10. The Chairman, Vice Chairman and members of the Village Owners' Committee shall hold office until the next election provided that he shall nevertheless cease to hold office if :-
  - (a) he resigns by notice in writing to the Committee;
  - (b) he ceases to be an Owner of House of the Village;
  - (c) he becomes bankrupt or is wound up or is insolvent or enters into a composition with his creditors or is convicted of a criminal offence other than a summary offence not involving dishonesty;
  - (d) he becomes incapacitated by physical or mental illness or death;
  - (e) he has defaulted in paying his contribution towards the Management Expenses; or
  - (f) he has been removed from his office in a meeting of the Owners of Houses.
- 11. A meeting of the Village Owners' Committee shall be presided over by-
  - (a) the Chairman; or
  - (b) in the absence of the Chairman, a member of the Village Owners' Committee appointed as chairman for that meeting.
- The notice of meeting referred to in Clause 2 of Subsection B of Section VII of his Sub-Deed may be given-

- (a) by delivering it personally to the member of the Village Owners' Committee;
- (b) by sending it by post to the member of the Village Owners' Committee at his last known address; or
- (c) by leaving it at the House of the member of the Village Owners' Committee or depositing it in the letter box for that House.
- 13. The procedure at meetings of the Village Owners' Committee shall be as is determined by the Village Owners' Committee.
- 14. In the case of an equality of votes, the Chairman shall have, in addition to a deliberative vote, a second or casting vote.

# SECTION VIII MISCELLANEOUS

- (a) The Owners of Houses shall at their own costs and expenses maintain in good substantial repair and condition to the satisfaction of the Director of Lands and carry out all works in respect of the Slopes and Retaining Walls as required by the Government Grant and in accordance with the "Geoguide 5-Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and the maintenance manual for the Slopes and Retaining Walls ("the Slope Maintenance Manual") prepared in accordance with such Geoguide 5.
  - (b) The Manager shall have full authority of the Owners of Houses to engage suitable qualified personnel to inspect, keep and maintain in good substantial repair and condition, and carry out any necessary works in respect of, the Slopes and Retaining Walls in compliance with the conditions of the Government Grant and in accordance with the Slope Maintenance Manual and all guidelines issued from time to time by the appropriate Government departments regarding the maintenance of slopes and retaining walls. For the purpose of this sub-clause, the reference to "the Manager" includes the Owners' Corporation, if formed.
  - (c) All the Owners of Houses shall pay the Manager all costs lawfully incurred or to be incurred by the Manager in carrying out maintenance, repair and any other works in respect of the Slopes and Retaining Walls.
  - (d) The Manager shall not be made personally liable for carrying out any such requirements in respect of the Slopes and Retaining Walls under the conditions of the Government Grant, which shall remain the responsibility of the Owners of Houses if, having used all reasonable endeavours, the Manager has not been able to collect the costs of the required works from all the Owners of Houses.

- (e) The Registered Owner shall deposit a full copy of the Slope Maintenance Manual in the caretaker's office of the Village (as indicated on the Village Common Areas Plan annexed hereto) within one month after the date of this Sub-Deed for inspection by all the Owners of Houses free of charge and taking copies upon payment of a reasonable charge. All charges received shall be credited to the Reserve Fund.
- (f) Notwithstanding anything herein contained, the Owners of Houses shall in accordance with the Management Units allocated to the part or parts of the Village owned by them contribute to the expense for the maintenance, repair and the carrying out of all works in respect of the Slopes and Retaining Walls. The Manager shall have the right to demand the Owners of Houses for payment to the Manager of all costs lawfully incurred or to be incurred by the Manager in carrying out such works regarding the maintenance, repair and other works in respect of the Slopes and Retaining Walls.
- (a) The Registered Owner at its own costs and expenses has prepared a schedule of the Works and Installations in the Village.
  - (b) The Registered Owner shall at its own costs and expenses prepare and compile for the reference of the Owners of Houses and the Manager a maintenance manual for the Works and Installations, setting out the following details :-
    - (i) as-built record plans of the building and services installations together with the necessary technical information (such as specifications of materials and design standard) for maintenance of all facilities and equipment;
    - (ii) all warranties and guarantees provided by contractors (together with the names of the companies providing the warranty and the contact telephone numbers) in respect of all facilities and equipment;
    - (iii) recommended maintenance strategy and procedures;
    - (iv) a list of items of the Works and Installations requiring routine maintenance;
    - (v) recommended frequency of routine maintenance inspection;

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- (vi) checklist and typical inspection record sheets for routine maintenance inspection; and
- (vii) recommended maintenance cycle of the Works and Installations.
- (c) The Registered Owner shall deposit a full copy of the maintenance manual for the Works and Installations in the caretaker's office in the Village (as indicated on the Village Common Areas Plan annexed hereto) within one month after the date of this Sub-Deed for inspection by all the Owners of Houses free of charge and taking copies at their own expenses and on payment of a reasonable charge. All charges received shall be paid into the Reserve Fund.
- (d) The Owners of Houses shall at their own costs and expenses inspect, maintain and carry out all necessary works for the maintenance of the Village and such parts of the Village the sole and exclusive right and privilege to hold, use, occupy and enjoy the same as may be held by the respective Owners of Houses including the Works and Installations.
- (e) The schedule and the maintenance manual for the Works and Installations may be revised in future to take into account any necessary changes, including but not limited to addition of works and installations in the Village and the updating of maintenance strategies in step with changing requirements.
- (f) The Owners of Houses may, by a resolution of Owners of Houses at a meeting of the Owners of Houses convened under this Sub-Deed, decide on revisions to be made to the schedule and the maintenance manual for the Works and Installations, in which event the Manager shall procure from a qualified professional or consultant the revised schedule and the revised maintenance manual for the Works and Installations within such time as may be prescribed by the Owners of Houses in the meeting of the Owners of Houses convened under this Sub-Deed.
- (g) All costs incidental to the preparation of the revised schedule and the revised maintenance manual for the Works and Installations will be paid out of the Reserve Fund.

- (h) The Manager shall deposit the revised maintenance manual for the Works and Installations in the caretaker's office in the Village within one month after the date of its preparation for inspection by all the Owners of Houses free of charge and taking copies at their own expenses and on payment of a reasonable charge. All charges received shall be credited to the Reserve Fund.
- 3. The provisions of Schedule 7 to the Ordinance shall be incorporated into and form part of this Sub-Deed. The Registered Owner must deposit a copy of each of Schedule 7 and 8 to the Ordinance (English and Chinese versions) at the caretaker's office in the Village (as indicated on the Village Common Areas Plan annexed hereto) for reference by all the Owners of Houses free of charge during the normal office hours of the said caretaker's office. A copy of the said Schedules 7 and 8 shall be provided to any Owner of House upon request at the expense of such Owner of House and upon payment of a reasonable charge. All charges received will be credited into the Reserve Fund.
- 4. (a) A set of the plans showing the City Common Areas, the City Retained Areas, the Village Common Areas and the Greenery Areas and certified by the Authorised Person as such is annexed hereto with the City Common Areas, the City Retained Areas, the Village Common Areas and the Greenery Areas shown and coloured pink, violet, grey red and yellow respectively thereon for identification purpose.
  - (b) A copy of a set of such plans shall be kept at the caretaker's office in the Village (as indicated on the Village Common Areas Plan annexed hereto) and for inspection by the Owners of Houses during normal office hours free of costs and charges.
- 5. The mutual covenants herein contained are intended to be annexed to and shall run with the Lot and each and every Undivided Share therein and shall be enforceable by and against the Owners of Houses for the time being of such Undivided Shares both as to the benefit and burden of such covenants, and any Ordinance or other statutory

enactment for the time being in force concerning the enforcement of mutual covenants relating to the Lot or the Houses shall apply to this Sub-Deed.

- 6. The Registered Owner shall at its own cost and expense provide a direct translation in Chinese of this Sub-Deed and deposit a copy of this Sub-Deed and its Chinese translation at the caretaker's office in the Village (as indicated on the Village Common Areas Plan annexed hereto) within one (1) month after the date of this Sub-Deed. Copies of this Sub-Deed and its Chinese translation shall be made available for inspection by all the Owners of Houses free of costs at the caretaker's office of the Village. A copy of this Sub-Deed and its Chinese translation shall be supplied by the Manager to an Owner of House on request and upon payment of a reasonable charge. All charges received will be credited to the Reserve Fund. In the event of dispute as to the effect or construction of this Sub-Deed and its Chinese translation, the English text of this Sub-Deed shall prevail.
- 7. Each Owner of House shall notify the Manager of the name and address in Hong Kong of the person authorized by him to accept service of process. Any Owner of House not occupying or using his House shall provide the Manager with an address in Hong Kong for service of notices under the provisions of this Sub-Deed, failing which the address of such House is deemed to be his address for service.
- 8. This Sub-Deed shall not conflict with the provisions of the Principal Deed. In the event of any conflict between the provisions of the Principal Deed and the provisions of this Sub-Deed, the provisions of the Principal Deed shall prevail.
- 9. (a) Nothing in this Sub-Deed conflicts with or is in breach of the conditions of the Government Grant. If any provision contained in this Sub-Deed conflicts with the Government Grant, the Government Grant shall prevail.
  - (b) All the Owners of Houses (including the Registered Owner) and the Manager covenant with each other to comply with the conditions of the Government Grant so long as they remain as the Owners of Houses or (as the case may be) the Manager. The covenants and provisions of this Sub-Deed are binding on

all the Owners of Houses and the benefit and burden thereof are annexed to the Lot and the Village and to the Undivided Share(s) in respect thereof.

IN WITNESS whereof the Registered Owner, the Manager and the First Purchaser have duly executed and delivered this Sub-Deed as a deed the day and year first above written.

First Column	Second Column	Third Column
Residential Units	Undivided Shares	Management Units
House 1	19	19
House 2	19	19
House 3	19	19
House 5	19	19
House 6	20	20
House 7	19	19
House 8	19	19
House 9	19	19
House 10	19	19
House 11	20	20
House 12	20	20
House 15	20	20
House 16	19	19
House 17	19	19
House 18	19	19
House 19	19	19
House 20	19	19
House 21	19	19
House 22	19	19
House 23	19	19
House 25	20	20
Grand Total	404	404

# THE FIRST SCHEDULE ABOVE REFERRED TO

## THE SECOND SCHEDULE ABOVE REFERRED TO

Works and Installations as at the date of this Sub-Deed :

- (i) structural elements;
- (ii) external wall finishes and roofing materials (if applicable);
- (iii) fire safety elements;
- (iv) plumbing system;
- (v) drainage system;
- (vi) fire services installations and equipment;
- (vii) electrical wiring system;
- (viii) gas supply system (if applicable);
- (ix) the Slopes and Retaining Walls; and
- (x) other major items.

SEALED with the Common Seal of	)
the Registered Owner in the presence of and	)
SIGNED by	)
	)
	)
director(s)/person(s) duly authorised by	)
a resolution of its board of directors	)
whose signature(s) is/are	)
verified by :-	)

SIGNED SEALED	and	DELIVERED	)	
by the First Purchaser	r (who	having been	)	
previously identified by the production of (				
Hong Kong Identity Card No.		)		
(	(	))	)	
in the presence of :-		)		

SEALED	with the Common Seal of	)
the First Pu	urchaser in the presence of and	)
SIGNED	by	)
		)
		)
director(s)/	person(s) duly authorised by a	)
resolution	of its board of directors in the	)
presence of	f/whose signature(s) is/are	)
verified by	:-	)

SEALED	with the Common Seal of	)
the Manager in the presence of and		)
SIGNED	by	)
		)
		)
director(s)/person(s) duly authorised by		)
a resolution	n of its board of directors	)
whose sign	ature(s) is/are	)
verified by	:-	)

INTERPRETED to the First Purchaser by :-

Dated the	day of	20[ ]

### HONG KONG RESORT COMPANY LIMITED

and

[ ] and

# DISCOVERY BAY SERVICES MANAGEMENT LIMITED

### SUB-DEED OF MUTUAL COVENANT

in respect of

PHASE 18, PORTION OF AREA 2A, THE REMAINING PORTION OF LOT NO.385 IN DEMARCATION DISTRICT NO.352 AND THE EXTENSIONS THERETO, DISCOVERY BAY, LANTAU ISLAND, HONG KONG

> Woo Kwan Lee & Lo Solicitors & Notaries, Room 2801, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong

> > Ref.: B10/SHK/HFM/LYF (2019 07 22) (v.10)(a)

# PROPOSED HOUSE DEVELOPMENT AT PORTION OF AREA 2a, DISCOVERY BAY, LANTAU ISLAND D.D.352 LOT NO 385 R. P. & THE EXTENSIONS THERETO



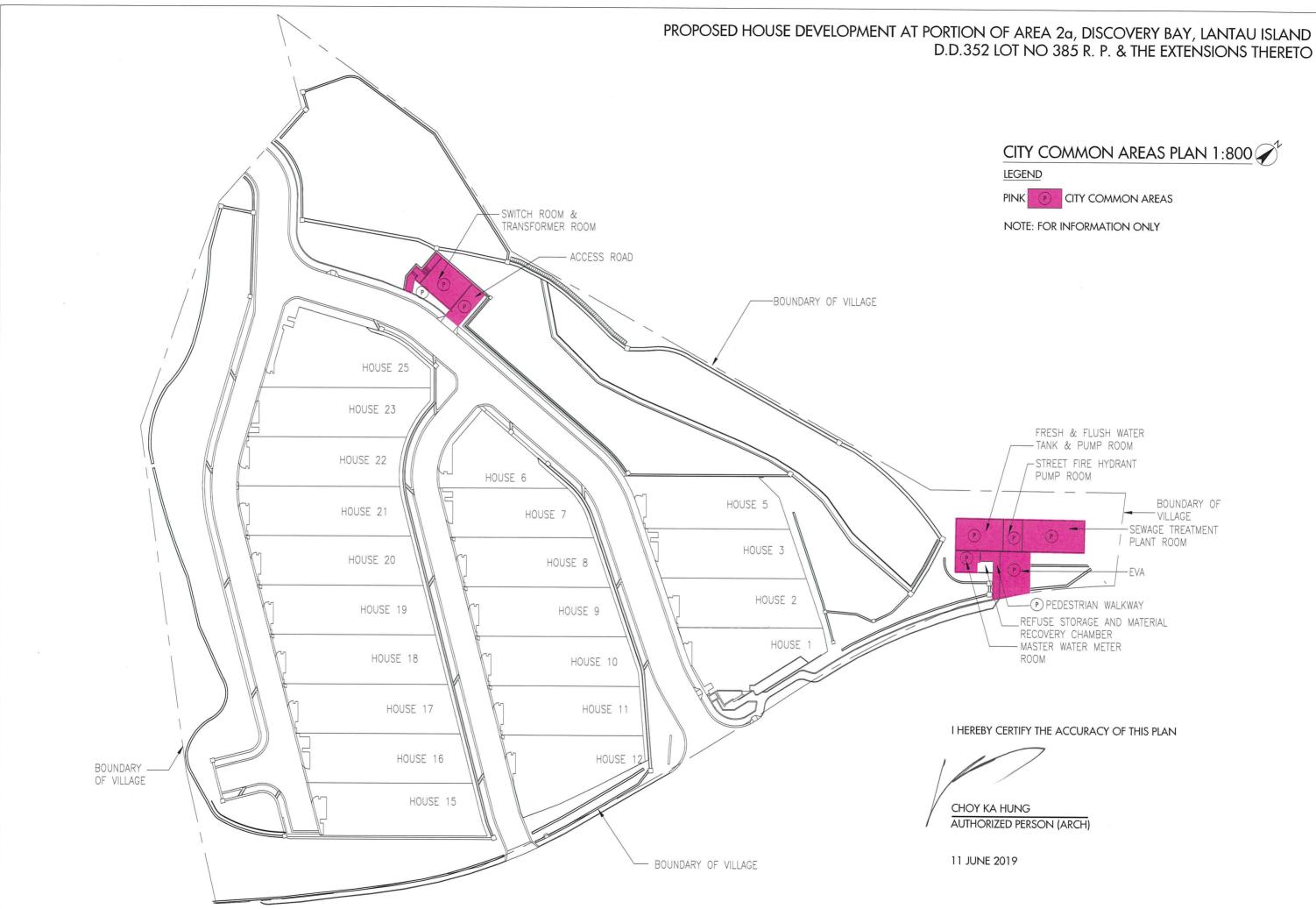
CHOY KA HUNG AUTHORIZED PERSON (ARCH)

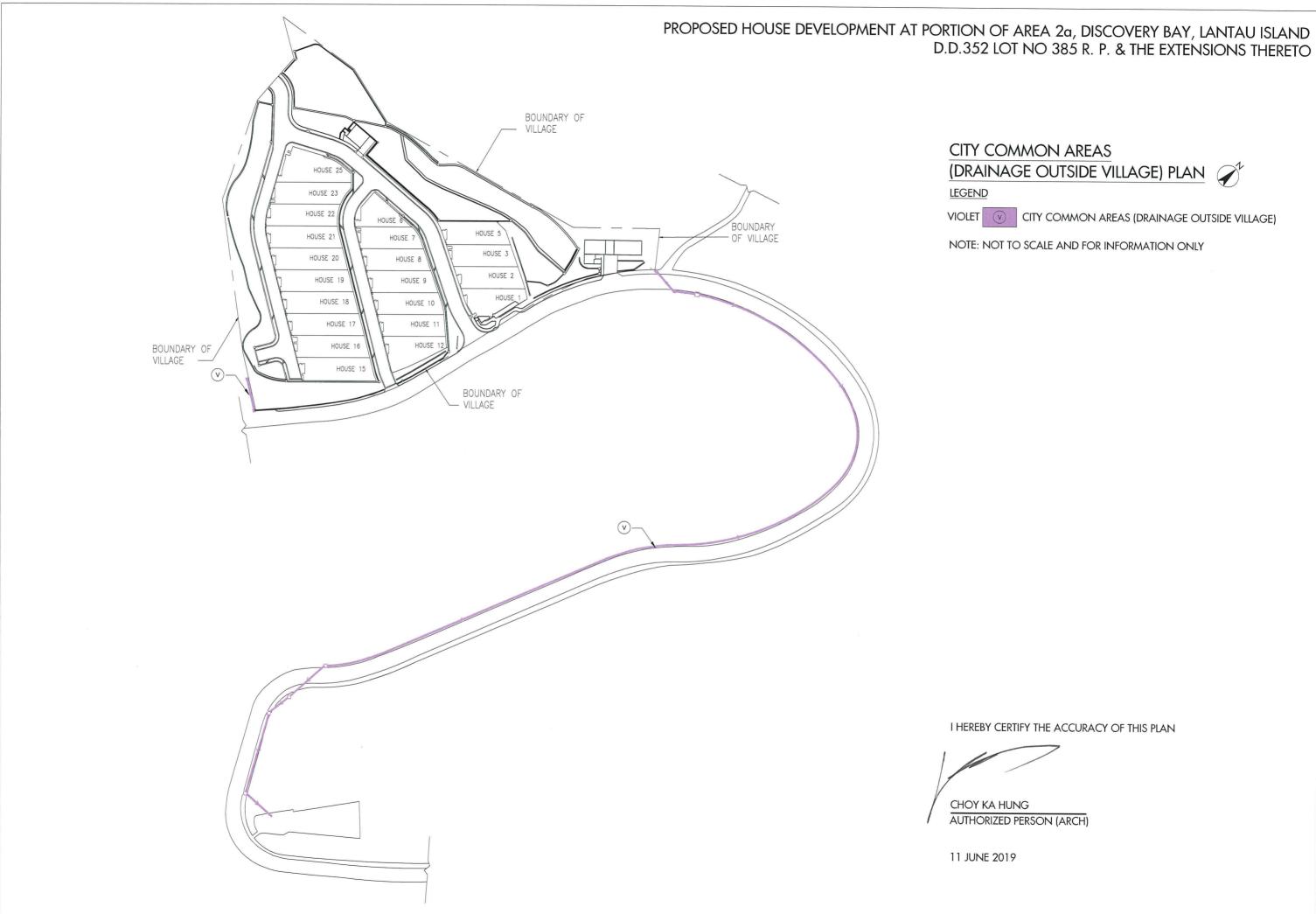
11 JUNE 2019



NOTE: NOT TO SCALE AND FOR INFORMATION ONLY

I HEREBY CERTIFY THE ACCURACY OF THIS PLAN



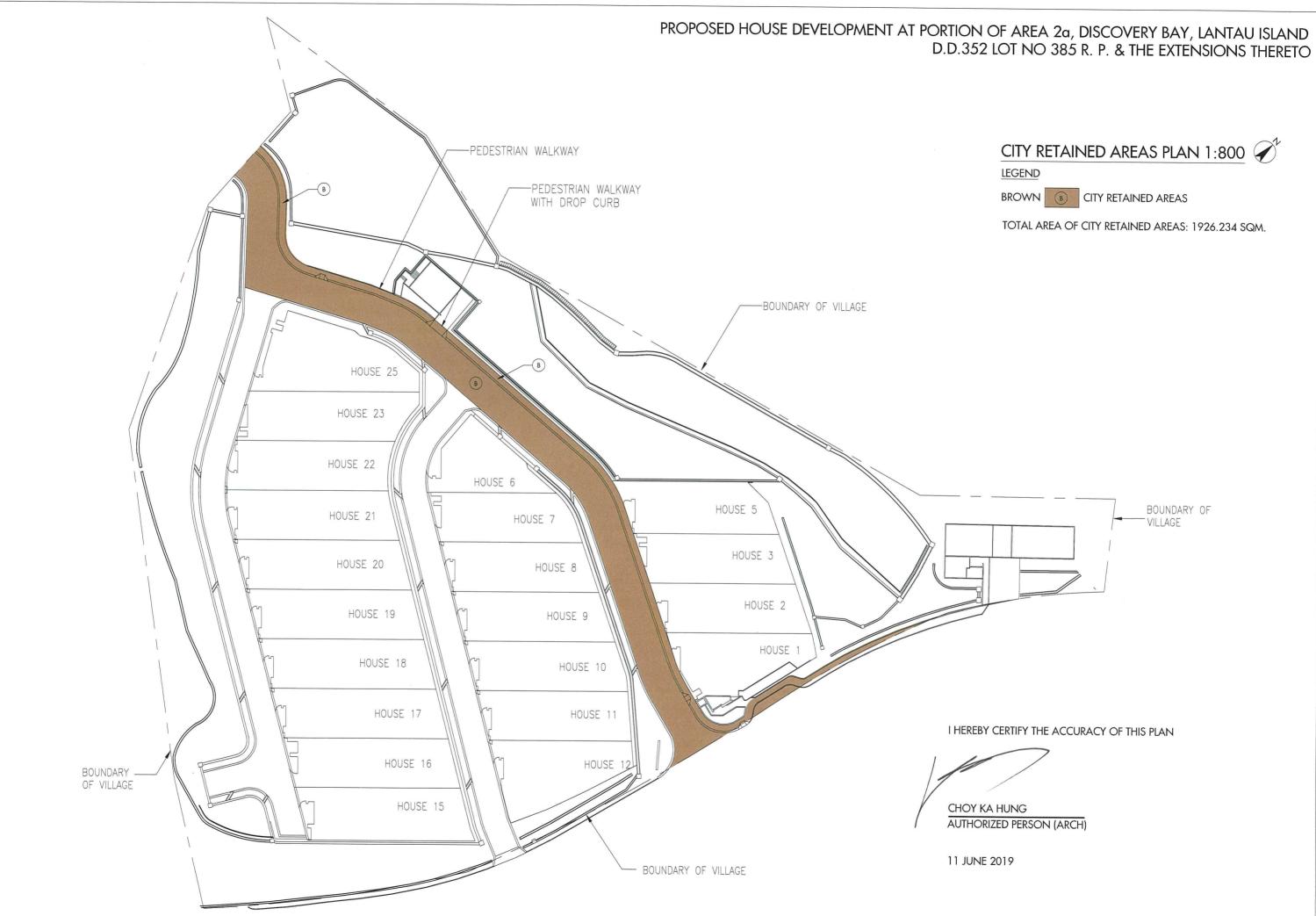


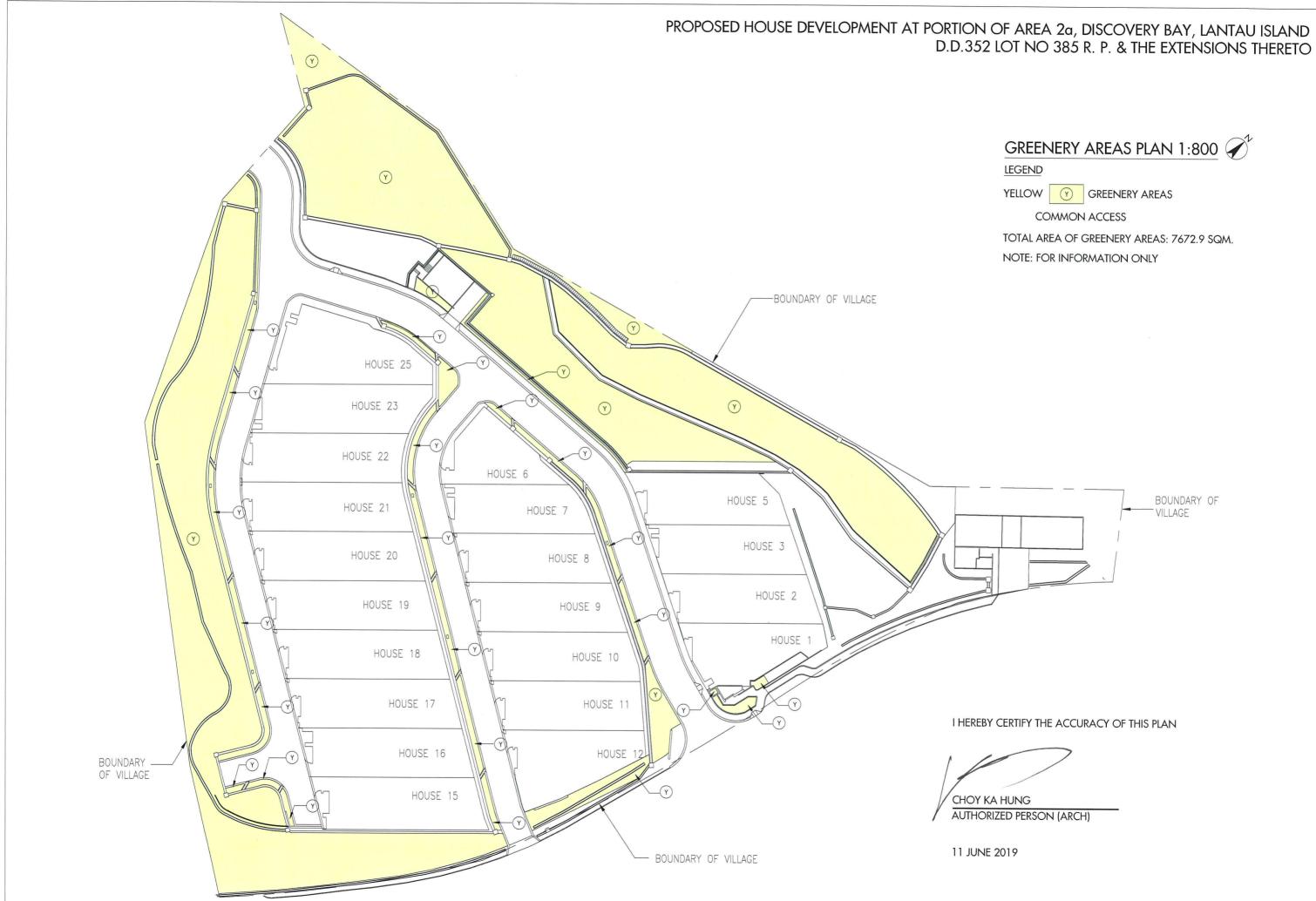
# **CITY COMMON AREAS** (DRAINAGE OUTSIDE VILLAGE) PLAN

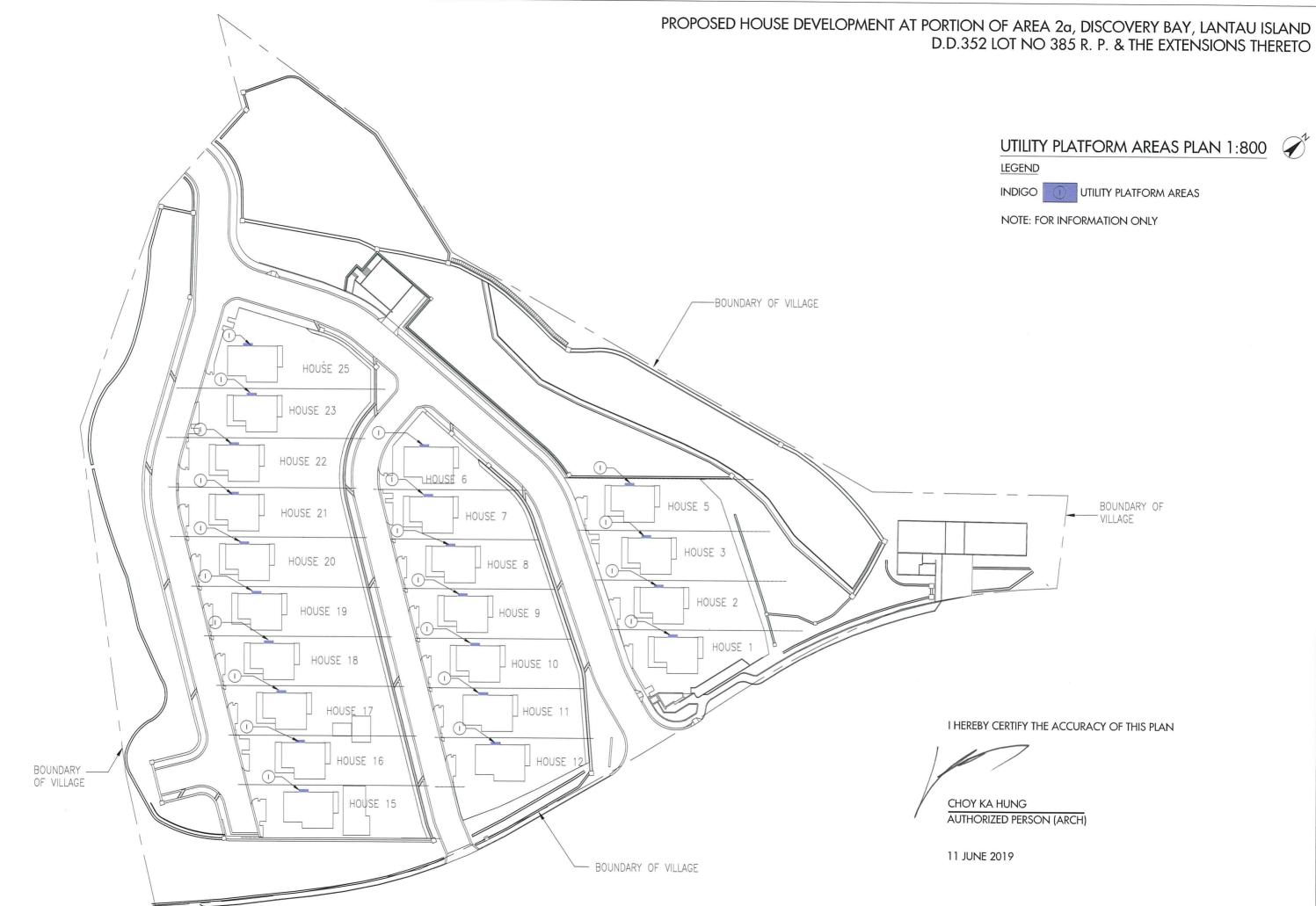
VIOLET VIOLET CITY COMMON AREAS (DRAINAGE OUTSIDE VILLAGE)

NOTE: NOT TO SCALE AND FOR INFORMATION ONLY

I HEREBY CERTIFY THE ACCURACY OF THIS PLAN

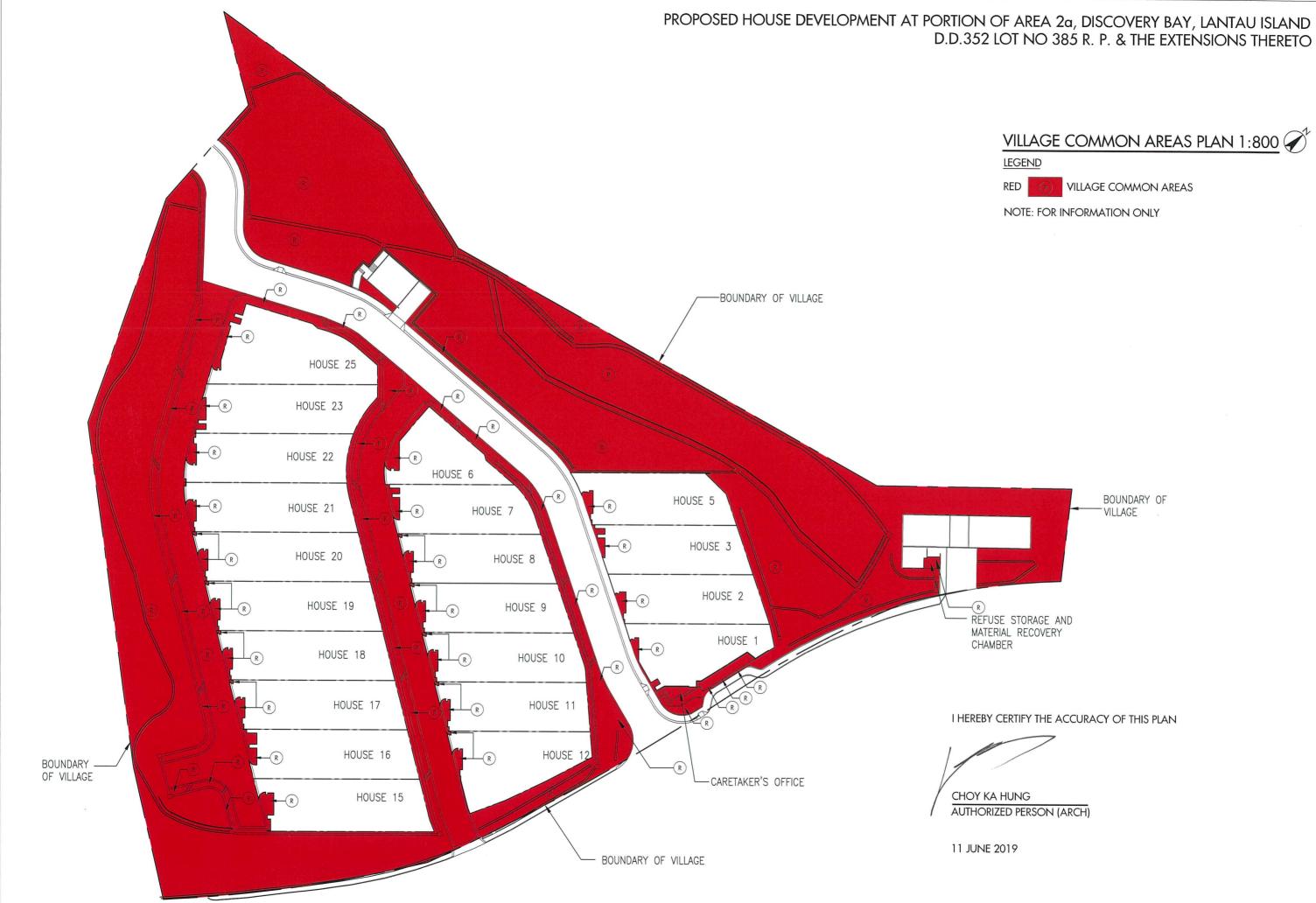






# UTILITY PLATFORM AREAS PLAN 1:800

UTILITY PLATFORM AREAS



# VILLAGE COMMON AREAS PLAN 1:800

VILLAGE COMMON AREAS



PROPOSED HOUSE DEVELOPMENT AT PORTION OF AREA 2a, DISCOVERY BAY, LANTAU ISLAND D.D.352 LOT NO 385 R. P. & THE EXTENSIONS THERETO

SLOPE PLAN 1:500 LEGEND



GREEN G SLOPES AND RETAINING WALLS NOTE: FOR INFORMATION ONLY

I HEREBY CERTIFY THE ACCURACY OF THIS PLAN

CHOY KA HUNG AUTHORIZED PERSON (ARCH)

11 JUNE 2019