

Execution Version

Dated the 6th day of October 2021

SUNSHINE ARCH LIMITED

and

HEATHER MERIT LIMITED

and

KNIGHT VALE LIMITED

and

ORION HOSPITALITIES LIMITED
東立酒店管理有限公司

**DEED OF MUTUAL COVENANT AND GRANT
INCORPORATING
A MANAGEMENT AGREEMENT**

OF

**SECTION C OF RURAL BUILDING LOT NO. 349
and THE REMAINING PORTION OF RURAL
BUILDING LOT NO. 349**

**(ANSALDO 南天第,
11A SHOUSON HILL ROAD WEST, HONG KONG)**

MAYER | BROWN
好士打

WKWL/MAGC/AFK/17547945

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THIS DEED is dated 6th October 2021 and is made

BETWEEN

- (1) **SUNSHINE ARCH LIMITED** whose registered office is situate at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and whose principal place of business in Hong Kong is at Suites 2506-10. Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong (hereinafter called the **"Party A"** which expression shall where the context so admits include its successors and assigns) of the first part;
- (2) **HEATHER MERIT LIMITED** whose registered office is situate at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and whose principal place of business in Hong Kong is at Suites 2506-10. Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong (hereinafter called the **"Party B"** which expression shall where the context so admits include its successors and assigns) of the second part;
- (3) **KNIGHT VALE LIMITED** whose registered office is situate at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and whose principal place of business in Hong Kong is at Suites 2506-10. Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong (hereinafter called the **"Party C"** which expression shall where the context so admits include its successors and assigns) of the third part; and
- (4) **ORION HOSPITALITIES LIMITED** 東立酒店管理有限公司 whose registered office is situate at Suites 2506-10. Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong (hereinafter called the **"DMC Manager"**) of the third part.

WHEREAS:-

- (A) Under and by virtue of the **Distribution Assignment** (as hereinafter defined), All That the **Land** (as hereinafter defined) and the **Development** (as hereinafter defined) were assigned to Party A, Party B and Party C by the **Original Registered Owner** (as hereinafter defined) (acting by the **Liquidator** named therein) by way of distribution in specie in accordance with their respective **Shareholding Percentages** (as hereinafter defined) and vested in Party A, Party B and Party C as tenants-in-common in the following shares: namely:-
 - (i) as to 39/100th parts or shares in Party A;
 - (ii) as to 30/100th parts or shares in Party B; and
 - (iii) as to 31/100th parts or shares in Party C,for the residue of the term of years created by the **Government Grant** (as hereinafter defined).
- (B) Prior to the execution of the Distribution Assignment, the Original Registered Owner had developed the Land in accordance with the Government Grant and the **Building Plans** (as hereinafter defined) and has erected on the Land the Development.

- (C) The Land and the Development have been notionally divided into 2,000 equal **Undivided Shares** (as hereinafter defined) which have been allocated as provided in the First Schedule hereto.
- (D) The parties hereto have agreed to enter into these presents for the purpose of:-
- (i) providing for the following:-
 - (a) the grant to Party A of the exclusive right and privilege to hold, use, occupy and enjoy House 1 (as hereinafter defined) in accordance with Clause 2.1;
 - (b) the grant to Party B of the exclusive right and privilege to hold, use, occupy and enjoy House 2 (as hereinafter defined) in accordance with Clause 2.2; and
 - (c) the grant to Party C of the exclusive right and privilege to hold, use, occupy and enjoy House 3 (as hereinafter defined) in accordance with Clause 2.3;
 - (ii) making provisions for the management, maintenance, repair, renovation, insurance and service of the Land and the Development and the **Common Areas and Facilities** (as hereinafter defined) therein;
 - (iii) defining and regulating the rights, interests and obligations of the **Owners** (as hereinafter defined) in respect thereof and to provide for apportionment of the expenses of such management, maintenance, repair, renovation, insurance and service to be borne by the Owners.
- (E) (i) In these presents (if the context permits or requires) words importing the singular number only shall include the plural number and vice versa and words importing the masculine gender only shall include the feminine gender and the neuter and vice versa and words importing persons shall include corporations and vice versa.
- (ii) References to any ordinance or statutory provisions shall include or mean any statutory amendments, modifications or re-enactments thereof from time to time being in force.
- (F) Any reference herein to “**this Deed**” means this Deed of Mutual Covenant and Grant incorporating a Management Agreement (including the Schedules hereto), and any and all **Sub-Deeds** (as hereinafter defined) (as and when they are entered into).

NOW THIS DEED WITNESSETH as follows :-

SECTION 1: DEFINITIONS

1. In this Deed the following expressions shall have the following meanings except where the context otherwise permits or requires :-

“Adjoining Land”

means all that piece or parcel of ground registered in the Land Registry as Section B of Rural Building Lot No.349;

“Authorized Person”

means Lai Siu Kin of Lu Tang Lai Architects Limited, which expression shall include any other authorized person as defined in section 2(1) of the Buildings Ordinance (Cap.123 of the Laws of Hong Kong) for the time being appointed by Party A, Party B and Party C in the place of the said Lai Siu Kin;

“Building Plans”

means the general building plans and specifications in respect of the Development or in respect of any part or parts of the Development prepared by the Authorized Person and approved by the Building Authority and includes any approved amendments thereto;

“Common Areas and Facilities”

means and includes :-

- (a) the Slope Structures within the Land, any unexcavated land within the Land, Pink Hatched Black Area (excluding the Pink Hatched Black Area that forms part of House 1), lot boundary fence walls (but excluding the lot boundary fence walls of House 3), the exterior surface, plaster and covering of a fence wall of a Residential Unit which abuts onto any part of the Common Areas and Facilities, the exterior surface, plaster and covering of a Party Wall of a Residential Unit which abuts onto any part of the Common Areas and Facilities, common right of way, common driveway which forms a part of the Driveway, common pavement, fire service (FS) control room, sprinkler inlet and sprinkler valve, common electrical meter room (including the external walls thereof), master water meter room (including the external walls thereof), refuse storage and material recovery chamber (including the external walls thereof), common landings (if any), common lightings hanging on the fence walls of the Residential Units (but excluding the fence walls of the Residential Units), signages (including the external lightings at the back thereof) facing the common driveway, underground HKE inlet, gas inlet (if any), common planters, channels, communal television and radio aerial systems (if any), radio aerial systems (if any), drains, pipes, ducts, pipe ducts, wires, cables, drainage pipes and drainage connection and other facilities whether ducted or otherwise which are or at any time may be in under or over or passing through the Land through which fresh or salt water, sewage, gas, telephone, electricity and other services are supplied to the Development, shrubs and vegetation, lamp posts and other lighting facilities, fire prevention and fighting equipment and apparatus, security systems and apparatus, refuse collection system and any other mechanical systems, devices or facilities installed or provided in the Development intended for common use and benefit of the Development (in so far as the same are capable of being shown on plans) are for identification

purpose only shown coloured **GREEN** and **GREEN STIPPLED BLACK** on the DMC Plans annexed hereto and certified as to their accuracy by the Authorized Person; and

- (b) such other areas, systems, devices, services and facilities of and in the Land and the Development as may at any time be designated as Common Areas and Facilities in accordance with this Deed; and
- (c) to the extent not specifically provided in paragraphs (a) and (b) above:-
 - (i) any parts of the Land and the Development covered by paragraph (a) of the definition of “**common parts**” set out in section 2 of the Building Management Ordinance (Cap.344 of the Laws of Hong Kong); and
 - (ii) any parts of the Land and the Development specified in schedule 1 to the Building Management Ordinance (Cap.344 of the Laws of Hong Kong) and included under paragraph (b) of the definition of “**common parts**” set out in section 2 of the Building Management Ordinance (Cap.344 of the Laws of Hong Kong);

but EXCLUDING such areas within the Development the exclusive right and privilege to hold, use, occupy and enjoy which belongs to any particular Owner and such facilities within the Development serving only any particular Owner.

“Compensatory Tree”

means each of the retained, replanted, transplanted or compensatory trees and/or other trees growing within the boundaries of each Residential Unit including the garden ancillary thereto as shown on the Compensatory Tree Plan and which is required to be preserved and maintained by the Owner of each Residential Unit in accordance with the Compensatory Tree Plan and the Maintenance Schedule for Retained and Compensatory Trees and “**Compensatory Trees**” shall be construed accordingly;

“Compensatory Tree Plan”

means the Compensatory Tree Plan No. TS-03 (Rev. C) approved by the Director of Lands and indicating the location of the Compensatory Trees and their species and deposited in the management office for reference by all Owners;

“Development”

means the whole of the residential development erected on the Land comprising, the Residential Units erected upon the Land and now known as “**ANSALDO 南天第**”, Hong Kong;

“Distribution Assignment”

means an assignment bearing even date and made between (a) the Original Registered Owner (acting by the Liquidator named therein) of the first part; (b) the Liquidator (named therein) of the second part; and (c) Party A, Party B and Party C (as assignee) of the third part in respect of the assignment of the Land and the Development by way

of distribution in specie to Party A, Party B and Party C on and subject to the terms and conditions set out therein;

“DMC Plans”

means the plans (entitled "Lower Ground Floor Plan" and "Ground Floor Plan") annexed to this Deed for identifying the Common Areas and Facilities in the Development and certified as to their accuracy by the Authorized Person;

“Driveway”

means the driveway as referred to in clause 16(h) of the Agreement for Sale and Purchase and registered at the Land Registry by Memorial No. UB1813370;

“Fire Safety Management Plan”

means the fire safety management plan and measures relating to the Residential Unit with open kitchen required to be implemented by the Buildings Department, the Fire Services Department and any other relevant Government authority, which includes any addition or variation thereto from time to time in accordance with the then relevant requirements of the Buildings Department, the Fire Services Department or any other relevant Government authority;

“Fire Service Installations for Open Kitchen”

means the smoke detectors, smoke detector with sounder base, sprinkler system, fire service installation (where required) and FRR Wall provided within and forming part of the Residential Unit with open kitchen;

“FRR Wall”

means the full height wall of a minimum of 600 mm width and having fire resistance rating of not less than -/30/30 adjacent to the open kitchen and exit door of the relevant Residential Unit which for identification purpose only is shown coloured **RED** and marked “**F.R.R. WALL**” on the Ground Floor Plan of the DMC Plans;

“Government”

means the Government of Hong Kong;

“Government Grant”

means a new Government Lease which is deemed to have been granted under and by virtue of the Government Leases Ordinance (Cap. 40 of the Laws of Hong Kong) for a further term of 75 years commencing from 9 January 1999 immediately after the expiration of the original term of 75 years commencing on 9 January 1924 created by the original Government Lease dated 16 May 1935 in respect of Rural Building Lot No. 349 and entered into between King George V of the one part and Chan Shing Mi of the other part as varied/modified by a Modification Letter dated 3 November 2004 and registered at the Land Registry by Memorial No. UB9381555 relating to The Remaining Portion of Rural Building Lot No. 349 and shall include any subsequent

extensions, variations or modifications thereto or renewals thereof;

“Hong Kong”

means The Hong Kong Special Administrative Region of the People's Republic of China;

"House 1" means the Residential Unit designated as **House 1** in the First Schedule hereto to which Party A shall have the exclusive right to hold, use, occupy and enjoy in accordance with Clause 2.1, which, for the purpose of identification, is shown coloured **PINK** on the plans (entitled "Lower Ground Floor and Ground Floor Plans of House 1" and "First Floor, Second Floor, Roof Floor and Top Roof Floor Plans of House 1") annexed hereto.

"House 2" means the Residential Unit designated as **House 2** in the First Schedule hereto to which Party B shall have the exclusive right to hold, use, occupy and enjoy in accordance with Clause 2.2, which, for the purpose of identification, is shown coloured **PINK** on the plans (entitled "Lower Ground Floor and Ground Floor Plans of House 2" and "First Floor, Second Floor, Roof Floor and Top Roof Floor Plans of House 2") annexed hereto.

"House 3" means the Residential Unit designated as **House 3** in the First Schedule hereto. to which Party C shall have the exclusive right to hold, use, occupy and enjoy in accordance with Clause 2.3, which, for the purpose of identification, is shown coloured **PINK** on the plans (entitled "Lower Ground Floor and Ground Floor Plans of House 3" and "First Floor, Second Floor, Roof Floor and Top Roof Floor Plans of House 3") annexed hereto.

“House Rules”

means the rules and regulations supplemental to this Deed governing the Development or any part or parts thereof as the Manager may make from time to time in accordance with the provisions of this Deed for the proper or more efficient management of the Land and the Development;

“Land”

means all those pieces or parcels of ground registered in the Land Registry as **Section C of Rural Building Lot No. 349** and **The Remaining Portion of Rural Building Lot No. 349**;

“Maintenance Manual for the Works and Installations”

means the maintenance manual for the Works and Installations as mentioned in Clause 9.12 as may from time to time be amended or revised in accordance with the provisions of this Deed;

“Maintenance Schedule for Retained and Compensatory Trees”

means the Maintenance Schedule for Retained and Compensatory Trees approved by the Director of Lands and deposited in the management office for reference by all

Owners;

“Manager”

means the DMC Manager or any other manager for the time being appointed as manager of the Land and the Development pursuant to the provisions of this Deed and in the absence of any such appointment, the Owners’ Committee shall act as the Manager;

“Occupation Permit”

means a temporary or permanent occupation permit issued by the Building Authority in relation to the Development or any part or parts thereof;

“Original Registered Owner” means **Optimal Gains Ventures Limited**, a company incorporated under the laws of the British Virgin Islands with BVI Company No.1944882, whose registered office is situate at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and having a principal place of business in Hong Kong at Suites 2506-10, 25/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong, which was placed in member's voluntary liquidation pursuant to members' resolutions passed on 6th October 2021;

“Owner”

means and includes each person (including each of Party A, Party B and Party C or their respective successors and assigns) who for the time being appears from the records at the Land Registry to be the owner of an Undivided Share and every joint tenant or tenant in common of any such Undivided Share and its, his or their executors, successors and assigns and where any such Undivided Share has been assigned or charged by way of mortgage or charge, the word **“Owner”** shall also include both mortgagor or chargor and mortgagee or chargee in possession of such Undivided Share or any mortgagee or chargee who has foreclosed PROVIDED THAT subject to the provisions of the mortgage or charge, the voting rights conferred on the Owner of such Undivided Share by the provisions of this Deed shall be exercisable only by the mortgagor or chargor unless the mortgagee or chargee is in possession or has foreclosed such Undivided Share and **“Owners”** shall be construed accordingly;

“Owners' Committee”

means a committee of the Owners of the Development established under the provisions of this Deed and where an Owners’ Corporation has been formed, the management committee of the Owners’ Corporation;

“Owners' Corporation”

means the Owners' corporation of the Development incorporated and registered under the Building Management Ordinance (Cap.344 of the Laws of Hong Kong);

“Party Wall”

means a common wall (whether structural or non-structural) which adjoins two Residential Units or separates two Residential Units or divides the land upon which the two Residential Units are constructed;

“Pink Hatched Black Area”

means the area shown coloured pink hatched black on the plan annexed to the Government Grant, as referred to in special condition no. (4) of the Government Grant;

“Residential Unit”

means each of the three (3) houses in the Development for private residential purposes and designated as **House 1**, **House 2** and **House 3** respectively as set out in the First Schedule hereto and in respect of each House shall include, without limitation, the following:

- (a) carport, private driveway (including the false ceiling above and the ceiling lights at such false ceiling) and private ramp;
- (b) garden (including the swimming pool and the Compensatory Trees therein), private planters, hard landscape features and furniture (if any), planter walls (if any), roof, upper roof;
- (c) internal lift and lift lobby, lift pit, A/C area, glass door, electrical meter room, fire service (FS) water tank, water meter cabinet (WMC), gas meter cabinet (GMC), potable & flushing tank & pump room, fire service (FS) pump room, sprinkler pump and valve room (if any), hose reel, sprinkler tank (if any), staircase and landing, stairhood (if any), balustrades (including glass balustrade);
- (d) open kitchen area with FRR Wall (in the case of House 3) and the lot boundary fence walls of House 3;
- (e) covered channel, architectural features, cladding, metal grille;
- (f) external walls (whether structural or non-structural, load-bearing or non-load bearing) of the Residential Unit, Party Wall (up to the centre line of it but excluding the exterior surface, plaster and covering of a Party Wall of the Residential Unit which abuts onto any part of the Common Areas and Facilities), fence walls of the Residential Unit (in case of a common fence wall which adjoins two Residential Units or separates two Residential Units, only up to the centre line of it but excluding the exterior surface, plaster and covering of a fence wall of the Residential Unit which abuts onto any part of the Common Areas and Facilities and also excluding the common lightings hanging on such fence walls of the Residential Unit), inner surface, plaster and covering of fence wall of the Development which abuts onto any part of the Residential Unit;
- (g) all internal partitions (whether structural or non-structural, loading-bearing or non-loading bearing) within the Residential Unit;

- (h) all floor or ceiling slabs separating different floors within the Residential Unit and any beam supporting any such slab;
- (i) water-proofing system on the floor or ceiling slab within the Residential Unit;
- (j) all internal finishes within the Residential Unit;
- (k) all sanitary appliances in the Residential Unit;
- (l) all glazing, window panes, window frames, door, door frames and gate of the Residential Unit;
- (m) all systems, plumbing, electrical installations, plant, equipment, apparatus, installations, services, facilities, machinery, fixtures, fittings and conduits serving exclusively any or some of the above,

and shall in the case of each Residential Unit also include all the structure which serves to support exclusively the Residential Unit and no other part of the Development, and "**Residential Units**" shall be construed accordingly;

"Shareholding Percentage" means the total number of issued shares registered in the name of each of Party A, Party B and Party C in the register of members of the Original Registered Owner as at the date of the Distribution Assignment expressed as a percentage of all the issued shares of the Original Registered Owner as at such date, being:-

<u>Shareholder of</u> <u>Original Registered Owner</u>	<u>Shareholding Percentage</u> <u>(as at the date of Distribution Assignment)</u>
Party A	39 per cent
Party B	30 per cent
Party C	31 per cent

and "**Shareholding Percentage**" shall be construed accordingly.

"Schedule of Works and Installations"

means the Fourth Schedule hereto;

"Slope Maintenance Manual"

means the maintenance manual for the Slope Structures which is to be prepared in accordance with "Geoguide 5 - Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and a copy of which shall be kept at the management office and may be inspected by the Owners free of charge during normal office hours of the Manager;

"Slope Structures"

means such slopes, slope treatment works, earth retaining structures, retaining walls and other related structures within or outside the Land and the Development as required by the Government Grant and this Deed to be maintained by the Owners and

are for identification purpose only shown coloured **BROWN** and **BROWN HATCHED BLACK** on the plan (entitled "Slope and Retaining Structures Plan") annexed hereto and certified as to its accuracy by the Authorized Person;

"Special Fund"

means the special fund set up and maintained by the Manager pursuant to Clause 4.11 hereof;

"Sub-Deed"

means any Sub-Deed of Mutual Covenant in respect of any part or parts of the Land and the Development to be entered into by an Owner in relation to its/his Residential Unit and "**Sub-Deeds**" shall be construed accordingly;

"Undivided Shares"

means those equal undivided parts or shares of and in the Land and of and in the Development allocated in accordance with the provisions of this Deed;

"Works and Installations"

shall mean the major works and installations in the Development (whether forming part of the Common Areas and Facilities or not) requiring regular maintenance on a recurrent basis as listed out in the Schedule of Works and Installations;

"2017 Assignment"

means an Assignment dated 21 August 2017 and registered at the Land Registry by Memorial No.17090702440266.

SECTION 2: RIGHTS AND OBLIGATIONS OF OWNERS

2.1 Grant of rights to Party A

Party B and Party C hereby grant to Party A the full and exclusive right and privilege to hold, use, occupy and enjoy **House 1** together with the appurtenances thereto and the entire rents and profits thereof to the intent that Party A, as the Owner of House 1, shall at all times hereinafter subject to and with the benefit of the Government Grant, the 2017 Assignment, the Distribution Assignment and this Deed have the full and exclusive right and privilege to hold, use, occupy and enjoy House 1 and the appurtenances thereto and the entire rents and profits thereof to the exclusion of Party B and Party C.

2.2 Grant of rights to Party B

Party A and Party C hereby grant to Party B the full and exclusive right and privilege to hold, use, occupy and enjoy **House 2** together with the appurtenances thereto and the entire rents and profits thereof to the intent that Party B, as the Owner of House 2, shall at all times hereinafter subject to and with the benefit of the Government Grant, the 2017 Assignment, the Distribution Assignment and this Deed have the full and

exclusive right and privilege to hold, use, occupy and enjoy House 2 and the appurtenances thereto and the entire rents and profits thereof to the exclusion of Party A and Party C.

2.3 Grant of rights to Party C

Party A and Party B hereby grant to Party C the full and exclusive right and privilege to hold, use, occupy and enjoy **House 3** together with the appurtenances thereto and the entire rents and profits thereof to the intent that Party C, as the Owner of House 3, shall at all times hereinafter subject to and with the benefit of the Government Grant, the 2017 Assignment, the Distribution Assignment and this Deed have the full and exclusive right and privilege to hold, use, occupy and enjoy House 3 and the appurtenances thereto and the entire rents and profits thereof to the exclusion of Party A and Party B.

2.4 Rights of all Owners

Each Undivided Share and the full and exclusive right and privilege to hold, use, occupy and enjoy any part of the Development shall be held by the person or persons from time to time entitled thereto subject to and with the benefit of the rights and privileges provided in the Second Schedule hereto and the express covenants and provisions herein contained.

2.5 Owners bound by covenants and restrictions

The Owner or Owners for the time being of each Undivided Share shall at all times hereafter be bound by and shall observe and perform the covenants, provisions and restrictions contained herein and in the Third Schedule hereto and such Owner shall comply with the House Rules from time to time in force so far as the same are binding on such Owner.

2.6 Right to assign without reference to other Owners

Subject to the Government Grant, every Owner shall have the full right and liberty without reference to the other Owners or other persons who may be interested in any other Undivided Share or Undivided Shares in any way whatsoever and without the necessity of making such other Owners or other persons a party to the transaction to sell, assign, mortgage, charge, lease, license or otherwise dispose of or deal with his Undivided Shares together with the exclusive right and privilege to hold, use, occupy and enjoy such part or parts of the Development which may be held therewith PROVIDED THAT any such sale, assignment, mortgage, charge, lease or licence shall be made expressly subject to and with the benefit of this Deed.

2.7 Right to exclusive use not to be dealt with separately from Undivided Shares

- (a) The right to the exclusive use, occupation and enjoyment of any part of the Land or the Development shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the Undivided Share with which the same is held PROVIDED ALWAYS THAT the provisions of this Clause shall not extend to leases or tenancies the terms of which shall not exceed ten (10) years.

- (b) The right to the exclusive use, occupation and enjoyment of any part of a Residential Unit shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from a Residential Unit with which such part is held.

2.8 Rights of Owners

- (a) Rights of every Owner

Every Owner, his tenants, servants, agents, invitees and licensees shall have the full right and liberty (in common with the Manager and others having like rights) to go pass and repass over and along and to use the Common Areas and Facilities for all purposes connected with the proper use and enjoyment of the same.

- (b) Grant of right by Owner of House 2 to Owner of House 1 and Owner of House 3

The Undivided Shares and the exclusive right to hold, use, occupy and enjoy House 2 shall be held by the Owner of House 2 subject always to the rights and privileges granted by the Owner of House 2 to the Owners of House 1 and House 3 and their respective tenants, servants, agents, invitees and licensees (including the Manager) as described in Part C of the Second Schedule hereto.

- (c) Rights subject to this Deed, etc.

The above right and liberty shall be subject to the provisions of this Deed, the rights of the Manager and the House Rules.

- (d) Assignment of Common Areas and Facilities

Upon execution of this Deed, Party A, Party B and Party C (each according to its interest in the Land and the Development as tenants-in-common in the respective shares set out in the Distribution Assignment) shall assign to the Manager free of costs or consideration the whole of the Undivided Shares allocated to the Common Areas and Facilities together with the Common Areas and Facilities subject to and with the benefit of the Government Grant, the 2017 Assignment, the Distribution Assignment and this Deed. Such Undivided Shares together with the right to hold, use, occupy and enjoy the Common Areas and Facilities shall be held by the Manager as trustee for the benefit of all the Owners for the time being and in the event that the appointment of the Manager is terminated or the Manager shall resign or be wound up or have a receiving order made against it or is removed and another Manager be appointed in its stead in accordance with the provisions of this Deed, then the outgoing Manager or the liquidator or the receiver (as the case may be) shall assign free of costs or consideration such Undivided Shares allocated to the Common Areas and Facilities together with the Common Areas and Facilities to the new Manager as trustee for the benefit of all the Owners for the time being PROVIDED THAT if an Owners' Corporation is formed under the Building Management Ordinance (Cap.344 of the Laws of

Hong Kong), it may require the Manager for the time being or its liquidator or receiver (as the case may be) to assign such Undivided Shares and transfer the management responsibilities to it free of costs or consideration and in which event the Manager shall assign free of costs or consideration the Undivided Shares in respect of the Common Areas and Facilities together with the Common Areas and Facilities and transfer free of costs or consideration the management responsibilities to the Owners' Corporation which shall hold such Undivided Shares on trust for the benefit of all the Owners for the time being.

SECTION 3: NOT USED

SECTION 4: MANAGER AND MANAGEMENT CHARGES

4.1 Appointment and Termination of Manager

- (a) Subject to the provisions of the Building Management Ordinance (Cap. 344 of the Laws of Hong Kong), Party A, Party B and Party C have agreed with the Manager for the Manager to undertake the management, operation, servicing, cleansing, maintenance, repair, renovation, improvement, replacement, security and insurance of the Land and the Development and the Common Areas and Facilities therein (all or any of which activities are where not inapplicable herein included under the word “**management**”) from the date of this Deed for an initial term of not exceeding two (2) years and such appointment shall continue until terminated as provided in this Clause 4.1.
- (b) The appointment of the Manager may be terminated as follows:-
 - (i) the appointment is terminated by the Manager by giving not less than three (3) calendar months' notice of termination in writing:-
 - (A) by sending such notice to the Owners' Committee (if formed);
or
 - (B) where there is no Owners' Committee, by giving such a notice to each of the Owners and by displaying such a notice in a prominent place in the Development.
 - (ii) The notice referred to in this Clause 4.1(b)(i)(B) may be given:-
 - (A) by delivering it personally to the Owner; or
 - (B) by sending it by post to the Owner at his last known address; or
 - (C) by leaving it at the Owner's Residential Unit or depositing it in the letter box (if any) for that Residential Unit; or
 - (iii) prior to the formation of the Owners' Corporation, the Owners' Committee (if formed) may at any time terminate the Manager's appointment without compensation by a resolution passed by a majority of votes of Owners voting either personally or by proxy in an Owners' meeting and supported by Owners of not less than fifty percent

(50%) of the Undivided Shares in aggregate (excluding the Undivided Shares allocated to the Common Areas and Facilities) and by giving the Manager not less than three (3) months' notice in writing; or

(iv) in the event that the Manager is wound up or has a receiving order made against it.

(c) (i) Where an Owners' Corporation has been formed and subject to Clause 4.1(c)(iv), at a general meeting convened for the purpose, the Owners' Corporation may, by a resolution:-

(A) passed by a majority of the votes of the Owners voting either personally or by proxy; and

(B) supported by the Owners of not less than fifty per cent (50%) of the Undivided Shares in aggregate (excluding the Undivided Shares allocated to the Common Areas and Facilities),

terminate by notice the appointment of the DMC Manager without compensation.

(ii) The resolution under Clause 4.1(c)(i) shall have effect only if:-

(A) such notice of termination of appointment is in writing;

(B) provision is made in the resolution for a period of not less than three (3) months' notice or, in lieu of notice, provision is made for an agreement to be made with the DMC Manager for the payment to it of a sum equal to the amount of remuneration which would have accrued to it during that period;

(C) such notice is accompanied by a copy of the resolution terminating the DMC Manager's appointment; and

(D) such notice and the copy of the resolution is given to the DMC Manager within fourteen (14) days after the date of the meeting.

(iii) The notice and the copy of the resolution referred to in Clause 4.1(c)(ii)(D) may be given:-

(A) by delivering them personally to the DMC Manager; or

(B) by sending them by post to the DMC Manager at its last known address.

(iv) For the purposes of Clause 4.1(c)(i):-

(A) only the Owners of Undivided Shares who pay or who are liable to pay contribution towards the management expenses relating

to those Undivided Shares shall be entitled to vote;

- (B) the reference in Clause 4.1(c)(i)(B) to “**the Owners of not less than fifty per cent (50%) of the Undivided Shares in aggregate**” shall be construed as a reference to the Owners of not less than fifty per cent (50%) of the Undivided Shares in aggregate who are entitled to vote.
- (v) If a contract for the appointment of a Manager other than the DMC Manager contains no provision for the termination of the Manager's appointment, Clauses 4.1(c)(i), (ii), (iii) and (iv) shall apply to the termination of the Manager's appointment as they apply to the termination of the DMC Manager's appointment.
- (vi) Clause 4.1(c)(v) operates without prejudice to any other power there may be in a contract for the appointment of the Manager other than the DMC Manager to terminate the appointment of the Manager.
- (vii) If a notice to terminate a Manager's appointment is given under this Clause 4.1(c):-
 - (A) no appointment of a new Manager shall take effect unless the appointment is approved by a resolution of the Owners' Committee (if any); and
 - (B) if no such appointment is approved under Clause 4.1(c)(vii)(A) above by the time the notice expires, the Owners' Corporation may appoint another Manager and, if it does so, the Owners' Corporation shall have exclusive power to appoint any subsequent Manager.
- (viii) This Clause 4.1(c) is subject to any notice relating to the Development that may be published by the Secretary for Home Affairs under section 34E(4) of the Building Management Ordinance (Cap.344 of the Laws of Hong Kong) but does not apply to any single manager referred to in that section 34E(4).
- (ix) If any person has given an undertaking in writing to, or has entered into an agreement with, the Government to manage or be responsible for the management of the Development, and the Owners' Corporation has appointed a Manager under Clause 4.1(c)(vii)(B) above, the Owners' Corporation shall be deemed to have given to that person an instrument of indemnity under which the Owners' Corporation shall be liable to indemnify that person in respect of any act or omission by the Manager appointed under that Clause 4.1(c)(vii)(B) that may otherwise render that person liable for a breach of that undertaking or agreement.

4.2 Delivery of books and records of accounts

- (a) Subject to Clause 4.2(b), if the Manager's appointment ends for any reason, it shall, as soon as practicable after its appointment ends, and in any event within fourteen (14) days of the date its appointment ends, deliver to the Owners' Committee (if any) or the Manager appointed in its place any movable property in respect of the control, management and administration of the Development that is under its control or in its custody or possession, and that belongs to the Owners' Corporation (if any) or the Owners.
- (b) If the Manager's appointment ends for any reason, the Manager shall within two (2) months of the date its appointment ends:-
 - (i) prepare an income and expenditure account for the period beginning with the commencement of the financial year in which its appointment ends and ending on the date its appointment ended and a balance sheet as at the date its appointment ended and shall arrange for that account and balance sheet to be audited by an accountant or by some other independent auditor specified in a resolution of the Owners' Committee (if any) or, in the absence of any such specification, by such accountant or other independent auditor as may be chosen by the Manager; and
 - (ii) deliver to the Owners' Committee (if any) or the Manager appointed in its place any books or records of accounts, papers, documents and other records which are required for the purposes of Clause 4.2(b)(i) and have not been delivered under Clause 4.2(a).

4.3 Appointment of new Manager

In the event of the Manager giving notice as hereinbefore provided or in the case of the Manager being dismissed, the Manager shall convene a meeting of the Owners' Committee (if formed) to elect a manager to take its place or in the case of the Manager being wound up or having a receiving order made against it or failing to convene a meeting of the Owners' Committee as aforesaid, a meeting of the Owners' Committee may be convened to elect a manager to take its place and such meeting shall elect a manager who shall at the conclusion of the meeting of the Owners' Committee aforesaid thereupon and henceforth become vested with all the powers and duties of the Manager hereunder. Notwithstanding anything hereinbefore contained, it is hereby declared and agreed that subject to the provisions of the Building Management Ordinance (Cap.344 of the Laws of Hong Kong), at no time shall the Land and the Development be without a responsible duly appointed manager to manage the Land and the Development or any part or parts thereof after execution of this Deed.

4.4 Manager's Remuneration

- (a) The annual remuneration of the Manager for the performance of its duties hereunder shall be twenty percent (20%) of the total annual expenditure costs and charges (excluding the Manager's remuneration and any capital expenditure or expenditure drawn out of the Special Fund) reasonably and

necessarily incurred in the management of the Land and the Development or any portion of the Land and the Development.

- (b) The Manager's remuneration shall be the net remuneration of the Manager for its services as Manager and shall not include the costs, expenses and fees for any staff, facilities, legal, professional, accounting and administration services and all disbursements and out-of-pocket expenses properly incurred in the course of carrying out its duties hereunder which said costs, expenses, fees and disbursements shall be a direct charge on the management funds.
- (c) Payment of the Manager's remuneration hereunder shall be paid in advance by twelve (12) equal calendar monthly instalments, each such payment to be in the sum of one twelfth (1/12th) of the annual remuneration of the Manager being twenty percent (20%) of the estimated total annual expenditure for the management of the Land and the Development (excluding the Manager's remuneration and the capital expenditure as aforesaid) payable by the Owners according to the annual budget or revised budget for the year in question to be prepared as provided in Clauses 4.5 to 4.7 hereof and any adjustment payment or deduction that needs to be made to bring the amount paid to the Manager by way of remuneration for the year in question to the correct amount for such year will be made within twenty-one (21) days from the completion of the auditing of the management accounts for such year as provided in Clause 4.27 hereof.
- (d) No variation of the percentage of the annual remuneration of the Manager may be made except with the approval by a resolution of Owners duly passed at a meeting of Owners convened under this Deed PROVIDED ALWAYS that by a resolution of Owners at an Owners' meeting convened under this Deed, any capital expenditure or expenditure drawn out of the Special Fund may be included for calculating the Manager's remuneration at the rate as provided under this Clause, or at such lower rate as the Owners may consider appropriate.

4.5 Management Expenditure

- (a) Subject to sub-clauses (c), (e), (f) and (h) of this Clause, the total amount of management expenditure payable by the Owners during any financial year in respect of the management of the Land and the Development shall be the total proposed expenditure during that year as specified by the Manager in accordance with sub-clause (b) of this Clause.
- (b) In respect of each financial year, the Manager shall :-
 - (i) prepare a draft budget setting out the proposed expenditure during the financial year;
 - (ii) send a copy of the draft budget to the Owners' Committee (if formed) or, where there is no Owners' Committee, display a copy of the draft budget in a prominent place in the Development, and cause it to remain so displayed for at least seven (7) consecutive days;

- (iii) send or display, as the case may be, with the copy of the draft budget a notice inviting each Owner to send his comments on the draft budget to the Manager within a period of fourteen (14) days from the date the draft budget was sent or first displayed;
 - (iv) after the end of that period, prepare a budget specifying the total proposed expenditure during the financial year; and
 - (v) send a copy of the budget to the Owners' Committee (if formed) or, where there is no Owners' Committee, display a copy of the budget in a prominent place in the Development, and cause it to remain so displayed for at least seven (7) consecutive days.
- (c) Where, in respect of a financial year, the Manager has not complied with sub-clause (b) of this Clause before the start of that financial year, the total amount of the management expenditure for that year shall :-
- (i) until he has so complied, be deemed to be the same as the total amount of management expenditure (if any) for the previous financial year;
 - (ii) when he has so complied, be the total proposed expenditure specified in the budget for that financial year, and the amount that the Owners shall contribute towards the management expenditure shall be calculated and adjusted accordingly.
- (d) Where a budget has been sent or displayed in accordance with sub-clause (b)(v) of this Clause and the Manager wishes to revise it, he shall follow the same procedures in respect of the revised budget as apply to the draft budget and the budget by virtue of sub-clause (b) of this Clause.
- (e) Where a revised budget is sent or displayed in accordance with sub-clause (d) of this Clause, the total amount of the management expenditure for that financial year shall be the total expenditure or proposed expenditure specified in the revised budget and the amount that Owners shall contribute towards the management expenditure shall be calculated and adjusted accordingly.
- (f) If there is an Owners' Corporation and, within a period of one (1) month from the date that a budget or revised budget for a financial year is sent or first displayed in accordance with sub-clause (b) or (d) of this Clause, the Owners' Corporation decides, by a resolution of the Owners, to reject the budget or revised budget, as the case may be, the total amount of management expenditure for the financial year shall, until another budget or revised budget is sent or displayed in accordance with sub-clause (b) or (d) of this Clause and is not so rejected under this sub-clause, be deemed to be the same as the total amount of management expenditure (if any) for the previous financial year, together with an amount not exceeding ten percent (10%) of that total amount as the Manager may determine.
- (g) If any Owner requests in writing the Manager to supply him with a copy of any draft budget, budget or revised budget, the Manager shall, on payment of a reasonable copying charge, supply a copy to that Owner.

- (h) For the purpose of this Clause 4.5, “**management expenditure**” means all expenses, costs and charges necessarily and reasonably recurred in the management and maintenance of the Land and the Development and the Common Areas and Facilities therein to be borne by the Owners including the remuneration of the Manager.

4.6 Preparation of annual budget by Manager

The Manager shall prepare the annual budget for the ensuing year in consultation with the Owners' Committee (if already formed) except the first budget which shall cover the period from the date of this Deed until the following 31st day of December. Subject to the provisions of this Deed, the annual budget shall cover all expenditure which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) is to be expended for the benefit of all Owners or required for the proper management of the Land and the Development and the Common Areas and Facilities therein including but without prejudice to the generality of the foregoing :-

- (a) the management, maintenance, operation, control, improvement, renovation, decoration, ventilation, repair and cleansing of all Common Areas and Facilities and the lighting thereof;
- (b) the preservation, cultivation, irrigation and maintenance of the trees, lawns, planters, gardens and areas on the Common Areas and Facilities;
- (c) the cost of all electricity, gas (if any), water, telephone, air-conditioning and other utilities serving the Common Areas and Facilities and charges, assessments, impositions and outgoings payable in respect of the Common Areas and Facilities;
- (d) the remuneration and related expenses for the provision of security guard services for the Land and the Development and the cost of employing caretakers, watchmen, cleaners and attendants and such other staff to manage and administer the Land and the Development and the Common Areas and Facilities and the expenses of training of the said caretakers, watchmen, cleaners and attendants and such other staff employed for the management of the Land and the Development;
- (e) the costs and expenses of purchasing or hiring all necessary plant, equipment, vehicle and machinery as are required for the management and maintenance of the Land and the Development;
- (f) the costs and expenses of inspecting, maintaining, repairing and carrying out all necessary works in respect of the Slope Structures, foundations, columns and other structures constructed or to be constructed for the support of the Land and the Development and the drains, nullahs, sewers, pipes, watermains and channels and such other areas whether within or outside the Land serving the Development or that are required to be maintained under the Government Grant or for the proper functioning of the Development;
- (g) the Government rents of the Land payable under the Government Grant but only if no apportionment or separate assessments have been made for

individual Residential Units and the Manager decides, in its discretion, that the same shall be included as part of the management expenditure and thereafter the Government rents (if any) in respect of the Common Areas and Facilities;

- (h) the remuneration of the Manager calculated in accordance with Clause 4.4 of this Deed for providing its services hereunder;
- (i) the premia for insurance of the Land and the Development including but not limited to the Common Areas and Facilities and the Residential Units as referred to in Clause 4.29(c) to the full new reinstatement value thereof and in particular against loss or damage by fire and/or such other perils and risks and of the Manager against third party, or public and/or occupiers' liability or employees' compensation risks or any other insurance policy considered necessary by the Manager;
- (j) a sum for contingencies and provision for future deficits;
- (k) legal and accounting and surveying fees and all other professional fees and costs properly incurred by the Manager in carrying out the services provided under this Deed and/or in connection with the management and maintenance of the Land and the Development;
- (l) the costs and expenses of refuse collection, storage and disposal in respect of the Land and the Development and the Common Areas and Facilities;
- (m) the costs and expenses of the maintenance, repair and cleansing all the common lightings hanging on the fence walls of the Residential Units (but excluding the fence walls of the Residential Units) and all the external lightings at the back of the signages facing the common driveway;
- (n) all other costs and expenses incurred in connection with the Common Areas and Facilities;
- (o) any tax payable by the Manager on any of the sum held by it under the provisions of this Deed Provided however that any tax payable on the Manager's remuneration shall be borne and paid by the Manager;
- (p) the costs of inspecting, maintaining, reinstating and repairing all roads, slopes, retaining walls, slope treatment works and other structures on outside or adjacent to the Land or forming part of the Development, including but not limited to the Slope Structures the maintenance of which is the liability of the grantee under the Government Grant and in accordance with "Geoguide 5 - Guide to Slope Maintenance" issued by the Geotechnical Engineering Office as amended from time to time and the Slope Maintenance Manual and the costs and expenses of carrying out geotechnical investigations, landslide preventive, mitigation, reinstatement and remedial works and maintaining, reinstating and making good any land, structure or works affected by such landslip, subsidence or falling away within the areas whether within or outside the Land or that are required to be maintained under the Government Grant or for the proper functioning of the Development;

- (q) the licence fee (if any) payable to the Government for laying of drains and channels which serve the Development within or under the Government land adjacent to the Land;
- (r) a proportion of the costs, expenses and charges in connection with the maintenance and repair of the Driveway and the retaining walls on both sides thereof;
- (s) a sinking fund for emergencies;
- (t) the expenses in connection with the carrying out of all or any of the duties and the exercise of all the powers of the Manager as set out in this Deed;
- (u) any other items of expenditure which are necessary for the administration, management and maintenance of the Land and the Development including but not limited to all staff, facilities, office, accountancy, professional, supervisory and clerical expenses incurred by the Manager in respect thereof or such proportionate part thereof and for such purposes, the Manager shall be entitled to apportion any such items of expenditure which directly relate to the administration and/or management and/or maintenance of the Land and the Development as well as any other lands, developments and buildings in such manner as shall be conclusively determined in the discretion of the Manager having regard to the relevant circumstances

PROVIDED THAT:-

- (a) expenditure of a capital and/or improvement nature for the improvement of the Development and/or the replacement or improvement of installations, systems, equipment and apparatus within or forming part of the Common Areas and Facilities and the cost of maintaining and repairing any of the Slope Structures or other structures in compliance with the Government Grant shall be compiled in a separate heading within the appropriate section of the annual budget and shall be payable out of the Special Fund mentioned in Clause 4.11 of this Deed when the same is established;
- (b) the annual budget shall also set out an estimate as to the time of any likely need to draw from the Special Fund; and
- (c) subject to the provisions in schedule 7 to the Building Management Ordinance (Cap.344 of the Laws of Hong Kong):-
 - (i) subject to proviso (c)(ii) and (c)(iii) below, the Manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed the sum of HK\$200,000.00 or such other sum in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette unless:
 - (A) the supplies, goods or services are procured by invitation to tender; and

- (B) the procurement complies with the Code of Practice referred to in section 20A(1) of the Building Management Ordinance (Cap. 344 of the Laws of Hong Kong).
- (ii) subject to proviso (c)(iii) below, the Manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed a sum which is equivalent to twenty percent (20%) of the annual management budget or such other percentage in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette unless –
- (A) if there is an Owners' Corporation:-
 - (I) the supplies, goods or services are procured by invitation to tender;
 - (II) the procurement complies with the Code of Practice referred to in section 20A(1) of the Building Management Ordinance (Cap.344 of the Laws of Hong Kong); and
 - (III) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a general meeting of the Owners' Corporation, and the contract is entered into with the successful tenderer; or
 - (B) if there is no Owners' Corporation:-
 - (I) the supplies, goods or services are procured by invitation to tender;
 - (II) the procurement complies with the Code of Practice referred to in section 20A(1) of the Building Management Ordinance (Cap.344 of the Laws of Hong Kong); and
 - (III) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a meeting of the Owners convened and conducted in accordance with this Deed, and the contract is entered into with the successful tenderer.
- (iii) proviso (c)(i) and (ii) above do not apply to any supplies, goods or services which but for this proviso (c)(iii) would be required to be procured by invitation to tender (referred to in this sub-clause as “relevant supplies, goods or services”):-
- (A) where there is an Owners' Corporation, if:-
 - (I) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the

time being supplied to the Owners' Corporation by a supplier; and

- (II) the Owners' Corporation decides by a resolution of the Owners passed at a general meeting of the Owners' Corporation that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender; or

(B) where there is no Owners' Corporation, if:-

- (I) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the Owners by a supplier; and
- (II) the Owners decide by a resolution of the Owners passed at a meeting of the Owners convened and conducted in accordance with this Deed that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender.

4.7 Calculation and payment of management expenses and annual budget

The Manager shall fix the amount to be contributed to the annual budget by each Owner in accordance with the following principles :-

- (a) The amount of the monthly or other contributions payable by each Owner shall be specified and demanded by the Manager from time to time by notice in writing PROVIDED THAT for the avoidance of doubt, no contributions shall be payable in respect of the Undivided Shares allocated to the Common Areas and Facilities;
- (b) Each Owner shall contribute his due proportion of the budgeted management expenses under the annual budget which proportion shall be equal to the Undivided Shares of his Residential Unit divided by the total number of Undivided Shares of all Residential Units in the Development;
- (c) Where any expenditure for the management and maintenance of the Land and the Development shall in the reasonable opinion of the Manager be specifically referable to or is being expended for a particular Residential Unit and no Owner of any other Residential Unit shall receive any material benefit therefrom, the full amount shall be excluded from the annual budget and shall be paid by the Owner(s) of that particular Residential Unit on demand;
- (d) For the avoidance of doubt, it is hereby expressly provided that each Owner shall be personally liable to make the above payment to the Manager whether or not his part of the Development is vacant or occupied and whether or not it has been let or leased to tenant or is occupied by the Owner himself or any

other person, provided always that no Owner shall be called upon to pay more than his fair share; and

- (e) All outgoings including management expenses and any Government rent up to and inclusive of the date of the Distribution Assignment shall be paid by the Original Registered Owner and no Owner shall be required to make any payment or reimburse the Original Registered Owner for such outgoings.

4.8 Owner's further contribution to the management expenses

If the total contributions receivable as aforesaid under the annual budget by the Manager shall in the opinion of the Manager be insufficient to meet the costs and expenses for such management and services then each Owner to whom the annual budget applies shall make good a due proportion of the estimated deficiency by making a further contribution to the Manager such further contribution being calculated in the same manner as in Clause 4.7 hereof and shall be payable to the Manager monthly in advance from the date specified in the written notices given by the Manager to the Owners.

4.9 Exclusion from management expenses

Notwithstanding anything herein contained and for the avoidance of any doubt, the management expenses payable by the Owners in accordance with this Deed shall not include :-

- (a) Any sum attributable or relating to the cost of completing the construction of the Development or any part thereof or any of the Common Areas and Facilities therein incurred prior to the date of the Distribution Assignment shall be borne solely by the Original Registered Owner (which expression shall for the purpose of this Clause exclude its assigns) and all such sums incurred between the date of the Distribution Assignment and the date of this Deed shall be borne solely by Party A, Party B and Party C (which expression shall for the purpose of this Clause exclude its assigns) each according to its interest in the Land and the Development as tenants-in-common in the respective shares set out in the Distribution Assignment;
- (b) All existing and future taxes, rates, assessments, property tax, water rates (if separately metered), Government rent payable under the Government Grant which has been separately assessed and charged by the Government against each Owner and outgoings of every description for the time being payable in respect of any Residential Unit which shall be borne by the Owner for the time being thereof;
- (c) Except as otherwise provided in this Deed, the expenses for keeping in good and tenantable repair and condition of a Residential Unit (or any part thereof) which shall be solely borne by the Owner or Owners for the time being of such Residential Unit.

4.10 Single Item of Expenditure

Subject to Clause 4.9 hereof but notwithstanding any other provisions to the contrary contained in this Deed, whenever any single item of expenditure which is not covered by insurance, is in the reasonable opinion of the Manager attributable to any particular part or component of the Development and the Owners of other parts or components of the Development do not or will not receive any material benefit from such expenditure, the Manager may (subject as hereinafter mentioned) determine that the same shall be paid by the Owner or Owners of the part or component of the Development for which such item of expenditure has or will be incurred (hereafter in this Clause called "**the relevant Owners**") to the exclusion of all other Owners and the Manager shall further determine in what manner shares or proportions such expenditure should be borne between the relevant Owners provided always that no Owner may be called upon to pay more than his fair share. On any such determination being made, written notice thereof shall forthwith be given by the Manager either personally or by registered post to the relevant Owners individually or by exhibiting the same on the public notice boards of the Development and the following shall apply :-

- (a) The relevant Owners may within one (1) month of such determination give written notice to the Owners' Committee (if formed) and the Manager that they dispute such decision and thereupon the same shall be submitted to the Owners' Committee (if formed) for review;
- (b) If no relevant Owners shall give any such notice of dispute within one (1) month then the same shall be deemed to be accepted by the relevant Owners and the item of expenditure shall be paid by the relevant Owners in the manner shares or proportions so determined by the Manager;
- (c) In the event of the relevant Owners giving notice of such dispute then the Manager shall within twenty-one (21) days of such notice call a meeting of the Owners' Committee (if formed) and give notice to the relevant Owners inviting them to attend the meeting of the Owners' Committee (if formed) to make representations both for and against the determination of the Manager and after considering such representations and any representations which the Manager may wish to make, the Owners' Committee (if formed) shall make its recommendations to the Manager;
- (d) The Manager shall accept such recommendations and the accepted recommendations shall thereupon become final and binding on the relevant Owners and the Manager;

PROVIDED THAT the provisions in this Clause shall not relate to any claim for death, personal injuries or damages made by any third person arising from any accident in the Common Areas and Facilities or to claims for compensation by any person employed by the Manager and PROVIDED FURTHER THAT in the case of such single item of expenditure which is not covered by insurance and which is in the opinion of the Manager attributable to any particular part or component of the Development but which the Owners of the other parts or components of the Development do not or will not receive any material benefit from such expenditure,

the Manager may in its absolute discretion include such expenditure as part of the management expenses of the Development.

4.11 **Special Fund**

- (a) There shall be established and maintained and prepared by the Manager as trustee for and on behalf of all the Owners a Special Fund for the purpose of paragraph 4 of schedule 7 to the Building Management Ordinance (Cap.344 of the Laws of Hong Kong) towards payment of expenditure of a capital nature or of a kind not expected to be incurred annually, which includes but is not limited to, expenses for the renovation, improvement and repair of installation, plant and equipment in the Common Areas and Facilities, the purchase, setting up, replacement, improvement and addition of installations, systems, equipment, tools, plant and machineries for the Common Areas and Facilities and the costs of the relevant investigation works and professional services and such fund shall not be refundable or transferable.
- (b) Each Owner shall covenant with the other Owners also on demand pay to the Manager such further sum (as included in the monthly management contribution) payable in respect of the Residential Unit of which he is the Owner and at such time as determined by a resolution of the Owners at an Owners' meeting convened under this Deed to maintain the Special Fund at such level as the Manager shall recommend PROVIDED THAT such contribution to the further sum shall be in proportion to the Undivided Shares as provided in the First Schedule hereto. If there is an Owners' Corporation, the Owners' Corporation shall determine, by a resolution of the Owners, the amount to be contributed to the Special Fund by the Owners in any financial year, and the time when those contributions shall be payable.
- (c) Each of Party A, Party B and Party C shall upon its becoming the Owner of House 1, House 2 or (as the case may be) House 3 pursuant to Clauses 2.1, 2.2 or (as the case may be) 2.3 of this Deed on the date hereof, pay to the Manager an initial contribution to the Special Fund which contribution is non-refundable and non-transferable in an amount to be decided by the Manager which amount shall be equivalent to 2/12 of the first year's budgeted management expenses payable in respect of his Residential Unit.
- (d) The Manager shall without delay pay all money received by it in respect of the Special Fund into an interest bearing account opened and maintained by the Manager at a bank within the meaning of section 2 of the Banking Ordinance (Cap.155 of the Laws of Hong Kong), the title of which shall refer to the Special Fund for the Development and shall use that account exclusively for the purpose specified in this Clause. Special reference shall be made to the Special Fund in the income and expenditure account and the balance sheet and an estimate shall be given as to the time of any likely need to draw on such Special Fund.
- (e) Without prejudice to the generality of Clause 4.11(d) above, if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a

trust account or client account, for holding money received by it from or on behalf of the Owners' Corporation in respect of the Special Fund.

- (f) The Manager shall display a document showing evidence of any account opened and maintained under Clause 4.11(d) or (e) in a prominent place in the Development.
- (g) The Manager shall without delay pay all money received by the Manager in respect of the Special Fund into the account opened and maintained under Clause 4.11(d) above; or if there is an Owners' Corporation, the account or accounts opened and maintained under Clause 4.11(e) above.
- (h) Except in a situation considered by the Manager to be an emergency, no money shall be paid out of the Special Fund unless it is for a purpose approved by a resolution of the Owners' Committee (if formed). For the avoidance of doubt, the Manager shall not use the Special Fund or any part or parts thereof for the payment of any outstanding management expenses arising from or in connection with the day-to-day management of the Development.

4.12 Payment of monthly contribution

- (a) Subject to Clause 4.24 hereof, each of Party A, Party B and Party C shall upon its becoming the Owner of House 1, House 2 or (as the case may be) House 3 pursuant to Clauses 2.1, 2.2 or (as the case may be) 2.3 of this Deed on the date hereof, deposit with the Manager as security for the due payment of all amounts which may be or become payable by him under this Deed a sum equals to three (3) months' monthly management contribution (which is calculated in accordance with the first year's budgeted management expenses) payable in respect of his Residential Unit which deposit or balance thereof (as the case may be) shall be non-interest bearing and non-refundable but transferable and shall not be set off against any contribution payable by him under this Deed and PROVIDED FURTHER THAT in the event that there is an increase in the monthly contribution payable by the Owner as determined by the Manager under this Deed, the Manager shall have the right at its absolute discretion to require the Owners to pay to the Manager by way of an increase in the said deposit a sum proportional thereto in order that such deposit shall always be equal to three (3) times the then monthly contribution.
- (b) Each Owner being the first assignee of his Residential Unit shall before he is given possession of his Residential Unit pay to the Manager in advance two (2) months' monthly management contribution (which is calculated in accordance with the first year's budgeted management expenses) payable in respect of his Residential Unit which shall be non-refundable and non-transferable.
- (c) Subject to Clause 4.24 hereof, each Owner being the first assignee of his Residential Unit shall before he is given possession of his Residential Unit pay to the Manager his due share (to be decided by the number of Undivided Shares allocated to his Residential Unit) of the deposits paid for public water and electricity meters and for the supply of other utilities to the Common

Areas and Facilities and which deposits or balance thereof (as the case may be) shall be non-interest bearing and non-refundable but transferable.

- (d) Each Owner being the first assignee of his Residential Unit shall before he is given possession of his Residential Unit pay to the Manager a debris removal fee of not more than one (1) month's monthly management contribution (which is calculated in accordance with the first year's budgeted management expenses) payable in respect of his Residential Unit for the removal of debris arising from decoration works carried out in his Residential Unit and which shall be non-refundable PROVIDED THAT any such sum received by the Manager which is not so used for removal of debris shall form part of the Special Fund.

4.13 Payment in advance of monthly contribution

Contributions and payments to be made by each Owner under this Deed shall normally be made in advance on the first day of each calendar month but this shall not interfere with the Manager's discretion to call for any particular payment or contribution to be made on any other day or days it may deem necessary or desirable.

4.14 Additional charges, etc.

- (a) Notwithstanding anything contained in these presents the Manager shall be entitled in its discretion to charge a reasonable administrative fee as consideration for granting and processing any consent (which consent shall not be unreasonably withheld) required from the Manager pursuant to these presents PROVIDED THAT such consideration shall be credited to the Special Fund.
- (b) With the agreement of the Owner concerned to levy and to retain an additional charge against such Owner in respect of services rendered by the Manager to the Owner beyond what is provided for in this Deed PROVIDED THAT such charge shall form part of the management funds.

4.15 Income other than management expenses

- (a) The Manager may collect from licensees, tenants and other occupiers of the Common Areas and Facilities or any part thereof, such sum or sums in connection with their use of the Common Areas and Facilities as the Manager shall reasonably determine and such sum or sums collected shall be paid into and form part of the management funds for the benefit of all Owners.
- (b) All moneys, income, fees, charges, penalties or other consideration received by the Manager in respect of the grant of franchises, leases, tenancy agreements, licences or permission for the use of any part of the Common Areas and Facilities or enforcement of the provisions of this Deed or any House Rules shall be paid into and form part of the management funds.

4.16 Interest and collection charge on late payment

If any Owner shall fail to pay the Manager any amount payable hereunder within thirty (30) days from the date of demand, the Manager may impose on such Owner:-

- (a) Interest calculated on the amount remaining unpaid at the rate of two percent (2%) per annum above the prime rate from time to time specified by The Hongkong and Shanghai Banking Corporation Limited for the number of days for which it remains unpaid from the due date until the actual date of payment (both dates inclusive); and
- (b) A collection charge of not exceeding ten percent (10%) of the amount due, to cover the cost (in addition to legal costs of proceedings as hereinafter mentioned) of the extra work occasioned by the default.

4.17 Civil action by Manager

All amounts which become payable by any Owner in accordance with the provisions of this Deed together with interest thereon as aforesaid and the said collection charge and all damages claimed for breach of any of the provisions of this Deed and all other expenses reasonably incurred in or in connection with recovering or attempting to recover the same (including without limitation legal costs on a solicitor and own client basis) shall be recoverable by civil action at the suit of the Manager against the defaulting Owner (and the claim in any such action may include a claim for the costs incurred by the Manager in such action on a solicitor and own client basis and the defaulting Owner shall in addition to the amount claimed in such action be liable for such costs). In any such action the Manager shall conclusively be deemed to be acting as the agent for and on behalf of the Owners for the time being (other than the defaulting Owner) as a whole and no Owner sued under the provisions of this Deed shall raise or to be entitled to raise any defence of want of authority or take objection to the right of the Manager as plaintiff to sue or to recover such amounts as may be found to be due.

4.18 Registration of charge against Undivided Shares of defaulting Owner

In the event of any Owner failing to pay any sum due and payable by him in accordance with the provisions of this Deed or failing to pay any damages awarded by any court for breach of any of the terms or conditions of this Deed within thirty (30) days from the date on which the same become payable, the amount thereof together with interest and the collection charge at the rate and for the amount as specified in Clause 4.16 hereof together with all costs and expenses which may be incurred in recovering or attempting to recover the same including the legal expenses referred to in Clause 4.17 hereof and in registering the charge hereinafter referred to shall stand charged on the Undivided Share or Undivided Shares of the defaulting Owner and the Manager shall be entitled without prejudice to any other remedy hereunder to register a Memorial of such charge in the Land Registry against the Undivided Share or Shares of the defaulting Owner. Such charge shall remain valid and enforceable as hereinafter mentioned notwithstanding that judgment has been obtained for the amount thereof unless and until such judgment has been satisfied in full.

4.19 Order for sale

Any charge registered in accordance with the last preceding Clause shall be enforceable as an equitable charge by action at the suit of the Manager for an order for sale of the Undivided Share or Undivided Shares of the defaulting Owner together

with the right to the exclusive use, occupation and enjoyment of the part of the Development held therewith and the provisions of Clause 4.17 of this Deed shall apply equally to any such action.

4.20 Proceedings to enforce this Deed and House Rules

The Manager shall without prejudice to anything herein mentioned further have power to commence proceedings for the purpose of enforcing the observance and performance, by any Owner and any person occupying any part of the Development through, under or with the consent of any such Owner, of the covenants, conditions and provisions of this Deed binding on such Owner and of the House Rules made hereunder and of recovering damages for the breach, non-observance or non-performance thereof. The provisions of Clause 4.17 of this Deed shall apply to all such proceedings.

4.21 Application of insurance money, etc.

Subject to Clause 8.1 of this Deed, all insurance money, compensation or damages recovered by the Manager in respect of any damage or loss suffered in respect of any part of the Development shall be expended by the Manager in the repair, rebuilding or reinstatement of that part of the Development.

4.22 Surplus after satisfaction of claim to be paid to relevant Owner

Where any insurance money, compensation, damages, costs and expenses or refunds are received or recovered (as the case may be) by the Manager in respect of any matter or thing for which any claim has been made against an Owner as provided in Clauses 4.16 to 4.20 of this Deed, the same shall, after deduction of any costs or expenses reasonably incurred out of the pocket of the Manager in recovering the same, form part of the management funds.

4.23 Amount to be credited to Special Fund

All money paid to the Manager by way of interest and collection charges pursuant to these presents shall be credited to the Special Fund.

4.24 Person ceasing to be Owner ceases to have interest in Special Fund and other funds

Any person ceasing to be the Owner of any Undivided Share or Undivided Shares in the Land and the Development shall in respect of the Undivided Share or Undivided Shares of which he ceases to be the Owner thereupon cease to have any interest in the funds held by the Manager including the deposit paid under Clause 4.12(a) hereof and his contribution(s) towards the Special Fund under Clause 4.11 of this Deed to the intent that all such funds shall be held and applied for the management of the Development irrespective of changes in ownership of the Undivided Shares in the Land and the Development PROVIDED THAT any such deposit shall be transferred into the name of the new Owner of such Undivided Share or Undivided Shares but the contribution(s) towards the Special Fund shall be neither refundable to any Owner by the Manager nor transferable to any new Owner AND PROVIDED FURTHER THAT upon the Land reverting to the Government and no further Government lease

being obtainable, any balance of the said funds, or in the case of extinguishment of rights and obligations as provided in Clause 8.1 hereof, an appropriate part of the said funds, shall be divided proportionately between the Owners contributing to the management expenses immediately prior to such reversion or, in the case of extinguishment of rights and obligations as aforesaid, between the Owners whose rights and obligations are extinguished, in both cases in proportion to the number of Undivided Shares held by such Owners.

4.25 Financial year

The first financial year for the purpose of management of the Development or any part or parts thereof shall commence from the date of this Deed and shall terminate on the following 31st day of December but thereafter the financial year shall commence on the 1st day of January and shall terminate on the 31st day of December of the same year PROVIDED THAT the Manager shall have the right to change the financial year at any time upon giving notice published in the public notice boards of the Development but the financial year may not be changed more than once in every five (5) years unless that change is previously approved by a resolution of the Owners' Committee (if established).

4.26 Manager to maintain account

- (a) The Manager shall open and maintain an interest-bearing account in the name of the Manager and to be held on trust by the Manager for and on behalf of all the Owners for the time being of the Land and the Development and the Manager shall use that account exclusively in respect of the management of the Land and the Development.
- (b) Without prejudice to the generality of Clause 4.26(a), if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by him from or on behalf of the Owners' Corporation in respect of the management of the Development.
- (c) The Manager shall display a document showing evidence of any account opened and maintained under Clause 4.26(a) or (b) in a prominent place in the Development.
- (d) Subject to Clauses 4.26(e) and (f) below, the Manager shall without delay pay all money received by the Manager in respect of the management of the Land and the Development into the account opened and maintained under Clause 4.26(a) or, if there is an Owners' Corporation, the account or accounts opened and maintained under Clause 4.26(b) above.
- (e) Subject to Clause 4.26(f) below, the Manager may, out of money received by the Manager in respect of the management of the Land and the Development, retain or pay into a current account a reasonable amount to cover expenditure of a minor nature, but that amount shall not exceed such figure as is determined from time to time by a resolution of the Owners' Committee (if the same has been established).

- (f) The retention of a reasonable amount of money under Clause 4.26(e) above or the payment of that amount into a current account in accordance with Clause 4.26(e) and any other arrangement for dealing with money received by the Manager shall be subject to such conditions as may be approved by a resolution of the Owners' Committee (if the same has been established).
- (g) Any reference in this Clause 4.26 to an account is a reference to an account opened with a bank within the meaning of section 2 of the Banking Ordinance (Cap.155 of the Laws of Hong Kong), the title of which refers to the management of the Land and the Development.
- (h) The Manager shall maintain proper books or records of account and other financial records and shall keep all bills, invoices, vouchers, receipts and other documents referred to in those books and records for at least six (6) years.

4.27 The Manager to keep books and accounts

- (a) Within one (1) month after each consecutive period of three (3) months or such shorter period as the Manager may select, the Manager shall prepare a summary of income and expenditure and a balance sheet in respect of that period and shall display a copy of the summary and balance sheet in a prominent place in the Development, and cause it to remain so displayed for at least seven (7) consecutive days.
- (b) Within two (2) months after the close of each financial year the Manager shall prepare an income and expenditure account and the balance sheet in respect of such closed financial year and display copies of the same in a prominent place in the Development, and cause it to remain so displayed for at least seven (7) consecutive days.
- (c) The income and expenditure account and the balance sheet shall within six (6) months after the close of each financial year be audited and certified by a firm of certified public accountants appointed by the Manager (subject to the Owners' meeting appointing a different firm of certified public accountants to audit the income and expenditure account and the balance sheet) as providing an accurate summary of all items of income and expenditure and balance sheet during such closed financial year. Each income and expenditure account and balance sheet shall include details of the Special Fund and an estimate of the time when there will be a need to draw on the Special Fund, and the amount of money that will be needed.

4.28 Inspection of accounts by Owners

- (a) The Manager shall at any reasonable time permit any Owner to inspect any of the books or records of accounts and any income and expenditure account or balance sheet prepared pursuant to this Deed. The Manager shall upon request of any Owner and upon payment of a reasonable charge for copying the same supply such Owner with a copy of such record or document requested by him.
- (b) If there is an Owners' Corporation and the Owners' Corporation decides, by a resolution of the Owners, that any income and expenditure account and

balance sheet should be audited by an accountant or by some other independent auditor as may be specified in that resolution, or prior to the formation of the Owners' Corporation, the Owners at an Owners' meeting convened under this Deed shall have power to require the income and expenditure account and balance sheet to be audited by an accountant or by some other independent auditor of their choice, the Manager shall without delay arrange for such an audit to be carried out by that person and :-

- (i) permit any Owner, at any reasonable time, to inspect the audited income and expenditure account and balance sheet and the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet; and
- (ii) on payment of a reasonable copying charge, supply any Owner with a copy of the audited income and expenditure account and balance sheet, or the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet, or both, as requested by the Owner.

4.29 Powers, functions and obligations of Manager

The management of the Land and the Development shall be undertaken by the Manager for an initial period of not exceeding two (2) years and shall continue until terminated as provided under Clause 4.1 of this Deed and each Owner hereby irrevocably APPOINTS the Manager as agent for all Owners in respect of any matter concerning the Land and the Development as a whole and the Common Areas and Facilities duly authorised in accordance with the provisions of this Deed and to enforce and carry into effect all provisions of this Deed subject to the Building Management Ordinance (Cap.344 of the Laws of Hong Kong). In addition to the other powers expressly provided in this Deed, the Manager shall have authority to do all such acts and things as may be necessary or expedient for or in connection with the Land and the Development and the management thereof including in particular but without in any way limiting the generality of the foregoing :-

- (a) To demand, collect and receive all amounts payable by Owners under the provisions of this Deed;
- (b) To manage, maintain and control the common driveways (including but not limited to the common driveway which forms a part of the Driveway) and parking areas on the Land and the Development and to remove and impound any cars, pedal bicycles, motorcycles and other vehicles parked in any area not reserved for parking or loading and unloading and to do all such acts and things as may be necessary to provide unimpeded access thereto by the persons entitled for the time being to the use of such parking areas and the Manager is entitled to charge reasonable administrative fees relative thereto (such fees shall be paid into the Special Fund);
- (c) Unless otherwise directed by the Owners' Committee (if formed), to insure and keep insured the Common Areas and Facilities and the Owners for the time being thereof and the Manager as comprehensively as reasonably possible and

in particular to the full new reinstatement value against loss or damage by fire and other risks as the Manager shall reasonably deem fit, occupiers' liability, public liability and liability as employer of the employees of the Manager employed within or exclusively in connection with the management of the Land and the Development with some reputable insurance company or companies in the name of the Manager for and on behalf of the Owners for the time being of the Land and the Development according to their respective interests and in such reasonable sum or sums as the Manager shall deem fit and to pay all premia required to keep such insurance policies in force and, without limiting the generality of the foregoing, if the Manager considers so desirable, to procure master insurance for the Land and the Development as a whole including those areas which are not the Common Areas and Facilities and to pay all premia required to keep such insurance policies in force;

- (d) To arrange for refuse collection and disposal from the Common Areas and Facilities (including, for the avoidance of doubt, from the refuse storage and material recovery chamber) and from areas designated as refuse collection points in the Development;
- (e) To arrange for proper recycling of waste and materials from the Development;
- (f) To keep in good order and repair the lighting of the Common Areas and Facilities (including but not limited to the common lightings hanging on the fence walls of the Residential Units (but excluding the fence walls of the Residential Units) and the external lightings at the back of the signages facing the common driveway);
- (g) To keep the Common Areas and Facilities in a clean and sanitary state and condition;
- (h) To implement the Fire Safety Management Plan and to issue any guideline or direction from time to time relating to its implementation (including the arranging of regular visual inspection in every six (6) months to ensure no alteration or removal of the fire safety provisions within the Residential Unit with open kitchen, the arranging of inspection and certification at least once a year of the fire safety provisions within the Common Areas and Facilities and within the Residential Unit with open kitchen (at the relevant Owner's expense) by registered fire services installations contractor, the arranging of fire drills for the occupants of the Residential Unit with open kitchen at least once a year) in accordance with the Fire Safety Management Plan, and where necessary, to enter with or without workmen equipment or materials at all reasonable times on reasonable notice (except in an emergency when no notice is required) the Residential Unit with open kitchen to carry out regular testing, maintenance, reinstatement or rectification of the fire safety provisions therein at that Owner's expense or to verify observance and compliance with the provisions set out in the Fifth Schedule hereto PROVIDED THAT the Manager shall cause as little disturbance as possible and shall forthwith make good any damage caused thereby at its own costs and expenses and shall be liable for the negligent, wilful or criminal acts of the Manager, its staff, employees, contractors or workmen in the course of exercising the aforesaid rights;

- (i) Subject to the prior approval of the Owner's Committee (if formed) or the Owners' Corporation (if formed), to enter into arrangements or agreements with the owners of the Adjoining Land for the sharing of costs, expenses and charges in connection with the maintenance and repair (together with the owners of the Adjoining Land) of the Driveway and the retaining walls on both sides thereof in accordance with the provisions of the 2017 Assignment and to maintain and repair the Driveway and the retaining walls on both sides thereof together with the owners of the Adjoining Land according to the cost-sharing arrangement / agreement with the owners of the Adjoining Land;
- (j) To repair, maintain, upkeep, improve, control, operate and manage the Common Areas and Facilities;
- (k) To choose from time to time the colour and type of façade of the Development, including that of the Residential Units;
- (l) To keep all the sewers, drains, watercourses and pipes forming part of the Common Areas and Facilities free and clear from obstructions;
- (m) To keep all the Common Areas and Facilities in good condition and working order and to extend or improve existing facilities or provide additional facilities as the Manager shall at its reasonable discretion deem necessary or desirable (PROVIDED THAT any improvement or provision of additional facilities or services which involves expenditure in excess of ten percent (10%) of the current annual management budget shall require the prior approval by a resolution of Owners at an Owners' meeting convened under this Deed) and to keep the fire fighting equipment in accordance with any laws and regulations applicable thereto and whenever it shall be necessary or convenient so to do at the Manager's discretion to enter into contracts with third parties for the maintenance of any such facilities;
- (n) To prevent so far as is possible any refuse or other matter being deposited, washed, eroded or falling from the Development onto any part of any public roads or any road-culverts, sewers, drains, nullahs or other Government property and to remove any such matter therefrom and to ensure that no damage is done to any drains, waterways, watercourses, footpaths, sewers, nullahs, pipes, cables, wires, utility services or other works being in, under, over or adjacent to the Land or any part thereof by reason of any maintenance or other works carried out by the Manager as herein provided and to make good any such damage;
- (o) To paint, white-wash, tile or otherwise treat as may be appropriate the exterior of the Development and the Common Areas and Facilities at such intervals as the same may reasonably require to be done;
- (p) To replace any glass in the Common Areas and Facilities that may be broken;
- (q) To keep the Common Areas and Facilities well lighted and in a tidy condition;
- (r) To keep in good order and repair the ventilation of the enclosed part or parts (if any) of the Common Areas and Facilities;

- (s) To prevent refuse from being deposited on the Development or any part thereof not designated for refuse collection and to remove all refuse from all parts of the Development and arrange for its disposal at such regular intervals and to maintain either on or off the Development refuse collection facilities to the satisfaction of the Food and Environmental Hygiene Department;
- (t) To prevent unauthorised obstruction of the Common Areas and Facilities and to remove and impound any structure article or thing causing the obstruction;
- (u) To make suitable arrangements for the supply of fresh and flushing water, gas (if any) and electricity and any other utility or service to or for the Development or any part thereof;
- (v) To provide and maintain as the Manager deems reasonably necessary security force, watchmen, porters, caretakers, closed circuit T.V. system and burglar alarms and other security measures in the Development at all times;
- (w) To maintain and operate or contract for the maintenance and operation of the communal radio or television aerials, satellite or cable television system (if any), aerial broadcast distribution network or telecommunications network (if any) which serve the Development;
- (x) To remove any structure or installation, signboard, advertisement, sunshade, bracket, fitting, obstruction, device, aerial or any thing in or on the Development or any part thereof which is illegal, unauthorised or which contravenes the terms herein contained or any of the provisions of the Government Grant and to demand and recover on a full indemnity basis from the Owner or person by whom such structure or other thing as aforesaid was erected or installed the costs and expenses of such removal and the making good of any damage caused thereby to the satisfaction of the Manager;
- (y) To appoint a solicitor or other appropriate legal counsel to advise upon any point which arises in the management of the Land and the Development necessitating professional legal advice and with authority to accept service on behalf of all the Owners for the time being of the Land and the Development of all legal proceedings relating to the Land and the Development (except proceedings relating to the rights or obligations of individual Owners) and to commence, conduct, carry on and defend in its own name legal and other proceedings touching or concerning the Land and the Development or the management thereof, and, in particular but without limiting the foregoing, in all proceedings in which the Government shall be a party and at all times within seven (7) days of being requested so to do by the Director of Lands or other competent authority or officer, to appoint a solicitor who shall undertake to accept service on behalf of all such Owners whether for the purpose of Order 10 Rule 1 of the Rules of the High Court (Cap.4A of the Laws of Hong Kong) (or any provision amending or in substitution for the same) or otherwise;
- (z) To prevent (by legal action if necessary) any person including an Owner from occupying or using any part of the Land and the Development in any manner in contravention of the Government Grant or this Deed;

- (aa) To enforce the due observance and performance by the Owners or any person occupying any part of the Development through under or with the consent of any such Owner of the terms and conditions of this Deed and the House Rules made hereunder, and to take action including the commencement and conduct and defence of legal proceedings to enforce the due observance and performance thereof and/or to recover damages for any breach non-observance or non-performance thereof;
- (ab) To prevent (by legal action if necessary) and to remedy any breach by any Owner or other person occupying or visiting the Development of any provisions of the Government Grant or this Deed;
- (ac) To prevent any person from detrimentally altering or injuring any part or parts of the Development or the Common Areas and Facilities;
- (ad) To prevent any person including an Owner from occupying or using any part of the Land and the Development in a manner which exceeds the maximum floor loading of such part of the Land and the Development;
- (ae) To prevent any person from overloading any of the electrical installations and circuits or any of the mains or wiring in the Development;
- (af) To have the sole right to represent all the Owners in all matters and dealings with the Government or any statutory body or any utility or other competent authority or any other person whomsoever in any way touching or concerning the Land and the Development as a whole or the Common Areas and Facilities, the Fire Safety Management Plan (including but not limited to all fire services installations required to be installed pursuant to the Fire Safety Management Plan) and the fire safety system of the Development with power to bind all Owners as to any policy adopted or decision reached or action taken in relation to any such dealings;
- (ag) To enter into contracts and to engage, appoint, employ, remunerate and dismiss consultants, other professional property management companies, contractors, agents or sub-managers to perform and carry out management works of the Land and the Development or any part thereof on such terms and conditions as the Manager deems fit, PROVIDED THAT the Manager shall not transfer or assign its rights, duties or obligations under this Deed to any such persons and such persons shall remain responsible to the Manager. For the avoidance of doubt, the Manager shall at all times be responsible for the management and control of the whole Development and no provision in this Deed will take away or reduce that responsibility;
- (ah) To enter into contracts and to engage, employ, remunerate and dismiss solicitors, architects, accountants and other professional advisers and consultants to give advice to the Manager and work on all matters related to the management of the Land and the Development and the performance of the Manager's powers and duties hereunder and to recruit and employ such workmen, servants, watchmen, caretakers and other staff and attendants as may from time to time be necessary to enable the Manager to perform any of its

powers and duties in accordance with this Deed on such terms as the Manager shall in its reasonable discretion decide and to provide accommodation, uniforms, working clothes, tools, appliances, cleaning and other materials and all equipment necessary therefor;

- (ai) To enforce the due observance and performance by the Owners of the terms and conditions of the Government Grant and this Deed and the House Rules and to take action in respect of any breach thereof including the commencement, conduct and defence of legal proceedings and the registration and enforcement of charges as herein mentioned;
- (aj) To ensure that all Owners or occupiers of the Residential Units maintain the Residential Units owned or occupied by them in a satisfactory manner and if there is any default on the part of any such Owners or occupiers, to carry out any necessary maintenance works and to take all possible steps to recover the cost therefor from the defaulting Owner or occupiers;
- (ak) To post the number of the Residential Unit whose Owner or occupant is in default or in breach of the terms and conditions of this Deed together with particulars of the default or breach on the public notice boards of the Development;
- (al) To grant or obtain such easements, quasi-easements, rights, privileges, licences, and informal arrangements as it shall in its absolute discretion consider necessary to ensure the efficient management of the Land and the Development;
- (am) Subject to the prior written approval of the Owners' Committee (if formed) (or the Owners' Corporation, if formed), to grant rights of way or access or use at any level to the owners or occupiers of any other premises adjoining the Land or to such person and persons and upon such terms and conditions as the Manager may think fit in respect of the Common Areas and Facilities and on behalf of the Owners to obtain a grant of similar rights in respect of such adjoining premises;
- (an) Subject to the prior written approval of the Owners' Committee (if formed) (or the Owners' Corporation, if formed), to grant easements and rights of any other kind to the owners and occupiers of adjoining properties to construct, lay, maintain, remove and renew drains, pipes, cables, irrigation pipes, and other installations, fittings, chambers, and other equipment and structures within the Common Areas and Facilities which the Manager shall in its absolute discretion deem appropriate PROVIDED THAT the right of an Owner to use and enjoy his Residential Unit shall not be prejudicially affected and on behalf of the Owners to obtain a grant of similar easements and rights from owners or managers of neighbouring land;
- (ao) To deal with all enquiries, complaints, reports and correspondence relating to the Development as a whole;
- (ap) Subject to the approval of the Owners' Committee (if formed) (or the Owners' Corporation, if formed), to grant franchises, leases, tenancy agreements and

licences to other persons to use such of the Common Areas and Facilities and on such terms and conditions and for such consideration as the Manager shall reasonably think fit PROVIDED THAT such use shall not be in breach of the Government Grant and all income arising therefrom shall form part of the management funds and be dealt with in accordance with the provisions of this Deed;

- (aq) To remove any dogs, cats, birds or other animals or fowls from the Development if, in the opinion of the Manager, any of such dogs, cats, birds or other animals or fowls is kept in contravention of the restriction under Paragraph 38 of the Third Schedule to this Deed or is otherwise causing a nuisance or disturbance to other Owner or Owners or occupiers of the Development or if the same has been the cause of reasonable written complaint of the other Owner or Owners or at least two (2) other occupiers of the Development, the reasonableness of the complaint shall be determined by the Manager in its absolute discretion;
- (ar) To provide such Christmas, Chinese New Year and other festive decorations and to organize such festive celebrations or activities or such other social or recreational activities for the Development as the Manager shall in its reasonable discretion consider desirable;
- (as) From time to time with the approval of the Owners' Committee (if formed) (only after it has been formed) to make, revoke or amend the House Rules as it shall deem appropriate which shall not be inconsistent with this Deed;
- (at) Subject as otherwise provided in this Deed to give or withhold its written consent or approval to anything which requires its written consent or approval pursuant to this Deed (PROVIDED THAT the Manager shall not unreasonably withhold its consent or approval) and to impose conditions or additional conditions and the Manager is entitled to charge a reasonable administrative fee relative thereto (such fee shall be paid into the Special Fund);
- (au) To convene such meetings of the Owners or of the Owners' Committee (if formed) as may be necessary or requisite and to act as secretary to keep the minutes of such meetings;
- (av) To do all things which the Manager shall in its discretion deem necessary or desirable for the purposes of maintaining and improving all facilities and services in or on the Development for the better enjoyment or use of the Development by its Owners occupiers and their licensees PROVIDED THAT any improvement to facilities or services which involves expenditure in excess of ten per cent (10%) of the current annual management budget shall be subject to the prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed;
- (aw) Subject to the prior approval of the Owner's Committee (if formed) or of the Owners at an Owners' meeting convened under this Deed, in the event that the Government agrees to take over or resume any part or parts of the Common Areas and Facilities to surrender the same or any part thereof to the

Government and the Manager is HEREBY APPOINTED the lawful attorney to execute and sign all relevant documents on behalf of all the Owners for such purpose including matters relating to payment of compensation PROVIDED THAT any benefit or monetary compensation so obtained shall be used for the common benefit of all the Owners or be credited into the management funds, as the case may be;

- (ax) Subject to the approval of the Owners' Committee (if formed) (or the Owners' Corporation, if formed), to grant such easements, quasi-easements, rights, privileges and licences to and to enter into such arrangements and agreements with the Government or the general public or any person or persons and upon such terms and conditions in respect of any part or parts of the Common Areas and Facilities as the Manager may in its reasonable discretion think fit PROVIDED THAT any such easements, quasi-easements, rights, privileges and licences shall not interfere with any Owner's right to hold, use, occupy and enjoy the part of the Development which he owns or unreasonably impede or restrict the access to and from any such part of the Development and all income arising therefrom shall form part of the management funds and be dealt with in accordance with the provisions of this Deed;
- (ay) To alter or construct and maintain the sewers, sewage treatment plants and sewage disposal facilities within the Land and to connect the same to the Government's sewers when they are laid and made available in the vicinity of the Land in accordance with the Government Grant;
- (az) To make payment to the Government on demand of the cost incurred by the Government in connecting any drains and sewers from the Land to the Government storm-water drains and sewers;
- (aaa) To engage (with full authority hereby given by all Owners) suitable qualified personnel to inspect keep and maintain in good substantial repair and condition the Slope Structures as required by the Government Grant and in accordance with "Geoguide 5 - Guide to Slope Maintenance" issued by the Geotechnical Engineering Office as amended from time to time and the Slope Maintenance Manual and with such other guidelines issued from time to time by appropriate Government departments regarding the maintenance of the Slope Structures and to carry out any necessary works in relation thereto and to collect from the Owners in proportion to the Undivided Shares allocated to their parts of the Land and the Development such additional sums (in case of insufficient management funds) from time to time to cover all costs lawfully incurred or to be incurred in carrying out such maintenance, repair and any other works PROVIDED THAT the Manager shall not be personally liable for carrying out such maintenance, repair and any other works which must remain the responsibility of the Owners if, having used all reasonable endeavours, the Manager has not been able to collect all costs so incurred or to be incurred from all Owners AND PROVIDED THAT for the purpose of this sub-clause "the Manager" shall include the Owners' Committee (if formed) and the Owners' Corporation;
- (aab) (i) If the Manager thinks so desirable, to provide appropriate and sufficient

waste separation and recovery facilities including, but not limited to, waste separation bins at such locations within the Common Areas and Facilities as he may consider suitable and convenient to facilitate waste separation and recovery by the Owners and occupiers of the Development. In such event, the Manager shall ensure that the recovery facilities shall consist of material that will not cause any fire hazard and shall be placed in locations so as not to cause obstruction to any fire escape route, and that recyclable materials recovered from the facilities or through the regular cleansing process shall be properly collected, stored, and sent for recycling. The Manager shall also maintain the facilities so provided in an environmentally acceptable and hygienic manner to avoid creating nuisance to the Owners and occupiers of the Development;

- (ii) To organize any activities as the Manager may consider appropriate to promote the environmental awareness of the Owners and occupiers of the Development and to encourage them to participate in such activities with a view to improving the environmental conditions of the Development;
- (iii) Subject to the provisions of this Deed, to make House Rules to require the Owners and occupiers of the Development to dispose of their rubbish properly for waste separation and recycling purposes;
- (aac) To take all steps necessary or expedient for complying with the Government Grant and any Government requirements concerning the Land and the Development or any part thereof;
- (aad) To engage qualified personnel to inspect or carry out a structural survey of the Development or any part thereof including the drains and channels within or outside the Land serving the Development as and when the Manager deems necessary or desirable;
- (aae) To maintain all areas, open spaces and other facilities as are required to be maintained under the provisions of the Government Grant;
- (aaf) To enter into 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 for the Development PROVIDED THAT such contracts to be entered into by the Manager shall be subject to the following conditions:-
 - (i) the term of the contract will not exceed three (3) years;
 - (ii) the right to be granted under the contract must be non-exclusive and must provide for sharing the use of the facilities and network with other service providers; and

- (iii) no Owner 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;
- (aag) To consult (either generally or in any particular case) the Owners' Corporation at a general meeting of the Owners' Corporation and adopt the approach decided by the Owners' Corporation on the channels of communication among Owners on any business relating to the management of the Land and the Development;
- (aah) To organise any social, recreational and community events, functions or activities as the Manager in his sole discretion considers appropriate or necessary from time to time to promote the well-being, harmony, relationship or environmental awareness of the Owners and occupiers of the Development; and
- (aai) To do all such other things as are reasonably incidental to the management of the Land and the Development.

4.30 **Other powers of Manager**

Without limiting the generality of the other express powers of the Manager herein contained, the Manager shall have power :-

- (a) To ban vehicles or any particular category of vehicles from the Land and the Development or any particular parts thereof either generally or during certain hours of the day or night PROVIDED ALWAYS that the right of the Owners of the parking areas to the proper use and enjoyment thereof in accordance with the provisions of the Government Grant and these presents shall not be affected;
- (b) To remove and impound any vehicle parked anywhere on the Common Areas and Facilities or which shall cause an obstruction or which Owner has defaulted in paying parking fees (if any) and any damage caused to such vehicles during or as a consequence of such removal shall be the sole responsibility of the Owner thereof and the Manager is entitled to charge reasonable administrative fees relative thereto (such fees shall be paid into the Special Fund);
- (c) To impose charges for any such removal and impoundment and recover such penalties on default in payment of parking fees and to exercise a lien on the vehicle concerned for such charges, penalties and parking fees;
- (d) To charge the Owners for the temporary use of electricity, water or other utilities supplied by the Manager and for the collection and removal of fitting out or decoration debris (if any) PROVIDED THAT such charges shall be paid into the management funds;
- (e) To charge the Owners for all costs and consultants' fees incurred in approving their fitting out, decoration or construction plans submitted for approval by the

Manager in accordance with the provisions of this Deed and House Rules;

- (f) To charge the Owners for the use of water supplied otherwise than through the individual meters of the Owners at such rates as are from time to time determined by the Manager provided such charges shall be paid into the management funds;
- (g) From time to time to make rules and regulations governing the supply and use of fresh and sea water to all parts of the Development, the payment and recovery of charges for installation, disconnection, reconnection and readings of meters, damage to meters and default interest to a like extent as are from time to time made by the Government;
- (h) To manage, repair, upkeep, maintain and to keep well lighted the Common Areas and Facilities and to manage and maintain such other areas or drains and channels whether within or outside the Land that are required to be maintained under the Government Grant.

4.31 **Manager's power of entry**

The Manager shall have power to enter with or without workmen, contractors and others and with or without equipment and apparatus at all reasonable times on prior reasonable notice (except in the case of emergency) into all parts of the Land and the Development including all parts of any Residential Unit (including the garden ancillary thereto and the undercover area(s) within the boundary of a Residential Unit):

- (a) for the purposes of carrying out necessary repairs to any part or parts of the Land and the Development or the Common Areas and Facilities or any of the fresh or sea water mains and pipes serving the Common Areas and Facilities; or
- (b) to abate any hazard or nuisance which does or may affect the Common Areas and Facilities or other Owners; or
- (c) to maintain, repair, replace and renew the underground HKE inlet (which forms a part of the Common Areas and Facilities) which runs through the garden ancillary to House 1; or
- (d) to maintain, repair, replace, renew and clean the common lightings hanging on the fence walls of the Residential Units (but excluding the fence walls of the Residential Units),

PROVIDED THAT the Manager shall cause as little disturbance as possible and shall forthwith make good at the Manager's own costs and expenses any damage caused thereby and shall be liable for negligent, wilful or criminal acts of the Manager, its staff, contractors or workmen in the course of exercising the aforesaid rights.

4.32 Manager to manage Common Areas and Facilities

The Common Areas and Facilities shall be under the exclusive control of the Manager who is hereby appointed to act as agent for and on behalf of all Owners duly authorised in accordance with the provisions of this Deed in respect of any matter concerning the Common Areas and Facilities.

4.33 Manager's acts and decisions binding on Owners

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

4.34 The Manager's power to make House Rules, etc.

- (a) Subject to the approval of the Owners' Committee (only after it has been formed) or the Owners' Corporation (if formed), the Manager shall have power from time to time to make, revoke and amend the House Rules regulating the use, occupation, maintenance and environmental control of the Land and the Development, the Common Areas and Facilities, protection of the environment of the Development and implementation of waste reduction and recycling measures with reference to guidelines on property management issued from time to time by the Director of Environmental Protection and the conduct of persons occupying, visiting or using the same and the conditions regarding such occupation, visit or use including the payment of charges (if any) and such House Rules shall be binding on all the Owners, their tenants, licensees, servants, agents, invitees or guests. A copy of the House Rules from time to time in force shall be posted on the public notice boards of the Development and a copy thereof shall be supplied to each Owner on request on payment of reasonable copying charges. All charges received shall be credited to the Special Fund.
- (b) Such House Rules shall be supplementary to the terms and conditions contained in this Deed and must not in any way conflict with such terms and conditions. In case of inconsistency between such House Rules and the terms and conditions of this Deed, the terms and conditions of this Deed shall prevail. The House Rules and any amendments thereto must not be inconsistent with or contravene the Building Management Ordinance (Cap. 344 of the Laws of Hong Kong) or the Government Grant.
- (c) Neither the Manager nor the Owners' Committee (if formed) shall be held liable for any loss or damage however caused arising from any non-enforcement of such House Rules or non-observance thereof by any third party.

4.35 Tender of major contracts

The Manager shall award by tender all major contracts for performance of its duties hereunder which involves a sum exceeding twenty per cent (20%) of the total expenditure estimated in the annual budget in accordance with fair tendering practice.

SECTION 5: EXCLUSIONS AND INDEMNITIES

5.1 Manager not liable to Owners

The Manager, its employees, agents or contractors shall not be liable to the Owners or any of them or to any person or persons whomsoever for any act, deed, matter or thing done or omitted in pursuance or purported pursuance of the provisions of this Deed save and except an act or omission involving criminal liability, dishonesty or negligence on the part of the Manager or its employees, agents or contractors. The Manager, its employees, agents or contractors shall not be held liable for any liabilities arising directly or indirectly out of:-

- (a) any defect in or failure or breakdown of any of the Common Areas and Facilities, or
- (b) any failure, malfunction or suspension of the supply of water, electricity or other utility or service to, from or for the Land and the Development, or
- (c) fire or flooding or the overflow or leakage of water from anywhere whether within or outside the Land and the Development, or
- (d) the activity of termites, cockroaches, rats, mice, white ants or other pests or vermin, or
- (e) theft, burglary or robbery within the Development; or
- (f) any act of God, force majeure or circumstances beyond the control of the Manager;

UNLESS it can be shown that such liabilities were caused by an act or omission involving criminal liability or dishonesty or negligence on the part of the Manager, its employees, agents or contractors and PROVIDED THAT the management contribution or any other charges payable under this Deed or any part thereof shall not cease to be payable on account thereof. Notwithstanding anything contained in this Deed:-

- (i) nothing in this Clause 5.1 shall exclude the liability of the Manager to the Owners for any act or omission involving criminal liability, dishonesty or negligence on the part of the Manager or its employees, agents or contractors; and
- (ii) no Owner shall be required to indemnify the Manager, its employees, agents or contractors from and against any action, claim etc. arising out of any such act or omission.

5.2 Owners to be responsible for act or negligence of occupiers

Each Owner shall be responsible for and shall indemnify the Manager and the other Owners and occupiers for the time being 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 any occupier of any

Residential Unit of which he has the exclusive use or any person using such Residential Unit with his consent express or implied or by, or through, or in any way owing to fire, overflow of water or leakage of electricity or gas therefrom.

5.3 Owners to be responsible for cost of making good loss and damage

Each Owner shall be responsible for and shall indemnify the Manager and the other Owners and occupiers for the time being against the acts and omissions of all persons occupying any Residential Unit of which he has the exclusive use with his consent, express or implied, and to pay all costs, charges and expenses incurred in repairing or making good any loss or damage to the Land or the Development or any part or parts thereof or any of the Common Areas and Facilities therein or thereon caused by the act, neglect or default of all such persons. In the case of loss or damage which the Manager is empowered by these presents to make good or repair, such costs, charges and expenses shall be recoverable by the Manager and in the case of loss or damage suffered by other Owners or occupiers for which the Manager is not empowered by these presents or for which the Manager has in its reasonable discretion elected not 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.

SECTION 6: OWNERS' COMMITTEE

6.1 Establishment of Owners' Committee

As soon as practicable but not later than nine (9) months from the date of this Deed, the Manager shall convene a meeting of the Owners (and to call further and subsequent meetings if required) to establish an Owners' Committee and appoint a chairman thereof or to appoint a management committee for the purpose of forming an Owners' Corporation under the Building Management Ordinance (Cap.344 of the Laws of Hong Kong). The Owners' Committee shall consist of not fewer than three (3) members of which at least one (1) member shall be from each Residential Unit.

6.2 Functions of Owners' Committee

The functions of the Owners' Committee shall include the following :-

- (a) the representing of the Owners in all dealings with the Manager;
- (b) the undertaking of such other duties as the Manager may, with their approval, delegate to them;
- (c) the reviewing of the draft annual budget, annual budget and revised budget prepared by the Manager;
- (d) the reviewing and approval of the House Rules made from time to time by the Manager;
- (e) to elect a manager to take the place of the outgoing Manager in accordance with the provisions of Clause 4.1 hereof;

- (f) the appointment of accountants for audit of the annual accounts prepared by the Manager;
- (g) to convene meetings of all the Owners;
- (h) to act as the Manager during such period as no Manager is appointed; and
- (i) the exercise of all other powers and duties conferred on the Owners' Committee by virtue of these presents.

6.3 Membership

The following persons shall be eligible for membership of the Owners' Committee :-

- (a) Any Owner and, in the event of an Owner being a corporate body, any representative appointed by such Owner. The appointment of a representative by a corporate body shall be in writing addressed to the Owners' Committee and may be revoked at any time on notice in writing being given to the Owners' Committee; and
- (b) The husband or wife of any Owner PROVIDED THAT such husband or wife resides in the Development.

6.4 Retirement from membership

A member of the Owners' Committee shall retire from office at the next annual meeting following his appointment or election but shall be eligible for re-appointment or re-election but subject to this he shall hold office until :-

- (a) he resigns by notice in writing to the Owners' Committee; or
- (b) he ceases to be eligible or is not re-elected at the meeting of Owners at which he stands for re-election; or
- (c) he becomes bankrupt or insolvent or enters into a composition with his creditors or is convicted of a criminal offence other than a summary offence not involving his honesty or integrity; or
- (d) he becomes incapacitated by physical or mental illness or death; or
- (e) he is removed from office by resolution of a duly convened meeting of Owners.

In any of the events provided for in sub-clause (c) or (d) of this Clause or in the event provided for in sub-clause (a) of this Clause resulting in the number of members of the Owners' Committee being less than three (3), the Manager shall convene a meeting of the Owners to fill the casual vacancy thereby created.

6.5 Meetings

A meeting of the Owners' Committee may be convened at any time by the chairman or any two (2) members of the Owners' Committee or whenever requested by the Manager PROVIDED THAT one such meeting to be known as the annual meeting

shall be held once in each calendar year commencing with the year following the date of this Deed for the purpose of transacting any other business of which due notice is given in the notice convening the meeting.

6.6 Notice of meeting

The person or persons convening the meeting of the Owners' Committee shall, at least seven (7) days before the date of the meeting, give notice of the meeting to each member of the Owners' Committee. Such notice of meeting shall specify (i) the date, time and place of the meeting; and (ii) the resolutions (if any) that are to be proposed at the meeting. Such notice of meeting may be given :-

- (a) by delivering it personally to the member of the Owners' Committee; or
- (b) by sending it by post to the member of the Owners' Committee at his last known address; or
- (c) by leaving it at the member's Residential Unit or depositing it in the letter box (if any) for that Residential Unit.

6.7 Quorum

The quorum at a meeting of the Owners' Committee shall be fifty percent (50%) of the members of the Owners' Committee (rounded up to the nearest whole number) or two (2) such members, whichever is the greater. No business shall be transacted at any time by the Owners' Committee unless a quorum is present when the meeting proceeds to business. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members of the Owners' Committee, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members of the Owners' Committee present shall be a quorum.

6.8 Chairman

A meeting of the Owners' Committee shall be presided over by :-

- (a) the chairman; or
- (b) in the absence of the chairman, a member of the Owners' Committee appointed as chairman for that meeting.

The first chairman appointed pursuant to Clause 6.1 hereof shall be chairman until the next annual meeting. Thereafter the chairman shall be chosen by the Owners at the first or any other meeting of the Owners held in any calendar year.

6.9 Manager to act as secretary

The Manager shall act as the secretary to the Owners' Committee and shall cause a record of the persons present at the meetings of the Owners' Committee and the proceedings thereof to be kept.

6.10 Resolutions

The following provisions shall apply in all meetings of the Owners' Committee :-

- (a) (i) All resolutions passed by a simple majority of votes at such meeting shall be binding on all the Owners but no such resolution shall be valid if it concerns any other matter not being the subjects contained in the notice convening the meeting or if it is contrary to the provisions of this Deed;
 - (ii) A resolution put to the vote of the meeting shall be decided on a show of hands only;
 - (iii) At a meeting of the Owners' Committee, each member present shall have one vote on a resolution put to the vote of the meeting or on a question before the Owners' Committee and if there is an equality of votes the chairman shall have, in addition to a deliberative vote, a casting vote.
- (b) The procedure at meetings of the Owners' Committee shall be as is determined by the Owners' Committee.

6.11 Owners' Committee not liable

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

6.12 No Remuneration

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

6.13 Records and Minutes

- (a) The Owners' Committee shall cause to be kept records and minutes of :-
- (i) the appointment and vacation of appointments of all its members and all changes therein;
 - (ii) all resolutions and notes of proceedings of the Owners' Committee;

- (iii) the members present at all meetings.
- (b) Such records and minutes shall be kept in such place as the Owners' Committee may from time to time determine and shall be open to inspection by any Owner on reasonable notice being given and such Owner shall also be entitled to extracts thereof on paying reasonable charges therefor. All copying charges received shall be credited to the Special Fund.

6.14 Sub-Committees

Nothing herein contained shall prevent the Owners' Committee from forming sub-committees for the welfare of the Owners and occupiers of the Development or to co-opt any person who are not members of the Owners' Committee to serve on such sub-committees.

SECTION 7: MEETING OF OWNERS

7.1 Meetings

From time to time as occasion may require there shall be meetings of the Owners to discuss and decide matters concerning the Land and the Development and the first of such meeting of the Owners shall be convened by the Manager as soon as possible but not later than nine (9) months after the date of this Deed, to appoint a chairman and the Owners' Committee or a management committee for the purpose of forming an Owners' Corporation under the Building Management Ordinance (Cap.344 of the Laws of Hong Kong) and in regard to such meetings the following provisions shall apply :-

- (a) A meeting of Owners may be convened by :-
 - (i) the Owners' Committee;
 - (ii) the Manager; or
 - (iii) an Owner appointed to convene such a meeting by the Owners of not less than five percent (5%) of the Undivided Shares in aggregate.
- (b) The person convening the meeting of the Owners shall, at least fourteen (14) days before the date of the meeting, give notice of the meeting to each Owner. Such notice of meeting shall specify :-
 - (i) the date, time and place of the meeting; and
 - (ii) the resolutions (if any) that are to be proposed at the meeting.
- (c) The notice of meeting referred to in sub-clause (b) above may be given :-
 - (i) by delivering it personally to the Owner;
 - (ii) by sending it by post to the Owner at his last known address; or

- (iii) by leaving it at the Owner's Residential Unit or depositing it in the letter box (if any) for that Residential Unit.
- (d) The quorum at a meeting of Owners shall be 10% of the Owners being not less than two (2) in numbers. No business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business. For the purposes of this sub-clause, the reference in this sub-clause to “**10% of the Owners**” shall :-
 - (i) be construed as a reference to 10% of the number of persons who are Owners without regard to their ownership of any particular percentage of the total number of Undivided Shares into which the Land and the Development were divided; and
 - (ii) not be construed as the Owners of 10% of the Undivided Shares in aggregate.
- (e) A meeting of Owners shall be presided over by the chairman of the Owners' Committee or, if the meeting is convened under Clause 7.1(a)(ii) or (iii) above, the person convening the meeting.
- (f) The chairman shall cause a record to be kept of the persons present at the meeting and the proceedings thereof.
- (g) At a meeting of Owners :-
 - (i) an Owner shall have one vote in respect of each Undivided Share he owns;
 - (ii) an Owner may cast a vote personally or by proxy;
 - (iii) where 2 or more persons are the co-Owners of an Undivided Share, the vote in respect of the Undivided Share 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 is made under sub-sub-clause (A) or (B), either by one of the co-Owners personally or by a proxy appointed by one of the co-Owners;
 - (iv) where 2 or more persons are the co-Owners of an Undivided Share and more than one of the co-Owners seeks to cast a vote in respect of the Undivided Share, only the vote that is cast, whether personally 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; and

- (v) if there is an equality of votes the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote.
- (h) (i) An instrument appointing a proxy shall be in the form set out in Form 1 in schedule 1A to the Building Management Ordinance (Cap.344 of the Laws of Hong Kong), and :-
 - (A) shall be signed by the Owner; or
 - (B) if the Owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf.
- (ii) The instrument appointing a proxy shall be lodged with the chairman of the Owners' Committee or, if the meeting is convened under Clause 7.1(a)(ii) or (iii) above, the person convening the meeting at least forty-eight (48) hours before the time for the holding of the meeting.
- (iii) A proxy appointed by an Owner to attend and vote on behalf of the Owner shall, for the purposes of the meeting, be treated as being the Owner present at the meeting.
- (i) The procedure at a meeting of Owners shall be as is determined by the Owners.
- (j) Save as otherwise herein provided any resolution on any matter concerning the Land and the Development passed by a simple majority of votes at a duly convened meeting of the Owners present in person or by proxy and voting shall be binding on all the Owners of the Development Provided as follows :-
 - (i) The notice convening the meeting shall have been duly given and shall have specified the intention to propose a resolution or resolutions concerning such matters.
 - (ii) No resolution purporting to be passed at any such meeting concerning any matter not mentioned in such notice shall be valid.
 - (iii) No resolution shall be valid to the extent that it purports to alter or amend the provisions of or is otherwise contrary to this Deed.
 - (iv) A resolution may be passed as to the manner in which the powers hereby conferred on the Manager are to be exercised or carried out.
 - (v) A resolution may be passed to dismiss the Manager by giving the Manager not less than three (3) months' notice in writing or in lieu of such notice, with an agreement to be made with the Manager for the payment to the Manager of a sum equal to the amount of remuneration which would have accrued to it during that period, but no such resolution shall be valid unless such resolution is passed by the Owners of not less than fifty per cent (50%) of Undivided Shares in aggregate

(excluding the Undivided Shares allocated to the Common Areas and Facilities).

- (k) Without affecting the provisions herein contained requiring certain matters to be decided only by resolutions passed by the Owners holding not less than seventy-five per cent (75%) of the total number of Undivided Shares in the Land and the Development, a resolution in writing signed by Owners who in the aggregate have vested in them for the time being more than fifty per cent (50%) of the total number of Undivided Shares in the Land and the Development shall be as valid and effectual as if it had been passed at a duly convened meeting of such Owners.
- (l) The accidental omission to give notice as aforesaid to any Owner shall not invalidate the proceedings at any meeting or any resolution passed thereat.
- (m) For the avoidance of doubt and notwithstanding anything to the contrary contained in this Deed, the person in whom the Undivided Shares allocated to the Common Areas and Facilities are vested as trustee for all the Owners shall have no voting right in respect of such Undivided Shares in any meetings of the Owners whether under this Deed, the Building Management Ordinance (Cap.344 of the Laws of Hong Kong) or otherwise and such Undivided Shares shall not be taken into account in determining the quorum for any meetings and such Undivided Shares shall not carry any liability to pay charges under this Deed.

SECTION 8: EXTINGUISHMENT OF RIGHTS

8.1 Owners' meeting in event of the Development being damaged

In the event of any part of the Development being so damaged by fire, typhoon, earthquake, subsidence or other cause so as to render a substantial part of the same unfit for habitation or use or occupation, (a) the Owners' Committee, (b) the Manager or (c) an Owner appointed by those Owners who in aggregate have vested in them for the time being not less than seventy-five per cent (75%) of the total number of Undivided Shares of the part of the Development (excluding the Undivided Shares allocated to the Common Areas and Facilities) so affected shall convene a meeting of the Owners whose right to exclusive use, occupation and enjoyment of such part of the Development have been so affected and such meeting may resolve by a seventy-five per cent (75%) majority of the Owners present in person or by proxy holding not less than seventy-five per cent (75%) of the total Undivided Shares of such damaged part (excluding the Undivided Shares allocated to the Common Areas and Facilities) and voting that by reason of insufficiency of insurance money or changes in building law or regulations or any other circumstances whatsoever, it is not practicable to reinstate or rebuild such part of the Development then in such event the Undivided Shares in the Land representing such part of the Development shall be acquired by the Manager and the Owners of such Undivided Shares shall in such event be obliged to assign the same and all rights and appurtenances thereto to the Manager upon trust to forthwith dispose of the same by public auction or private treaty and to distribute the net proceeds of sale amongst the Owners of such Undivided Shares in proportion to the respective number of Undivided Shares previously held by such former Owners. All

insurance money received in respect of any policy of insurance on such part of the Development shall likewise be distributed amongst such former Owners. In such event all the rights, privileges, obligations and covenants of such former Owners under this Deed shall be extinguished so far as the same relate to such former Owners of the relevant part of the Development PROVIDED ALWAYS THAT if it is resolved to reinstate or rebuild such part of the Development the Owners of such part of the Development shall pay the excess of the cost of reinstatement or rebuilding of the relevant part of the Development damaged as aforesaid over and above the proceeds recoverable from the insurance of such part of the Development in proportion to the respective number of Undivided Shares held by them and that until such payment the same will become a charge upon their respective Undivided Shares allocated to the relevant part of the Development and be recoverable as a civil debt. The resolution is to be binding upon all the Owners of the damaged part(s).

8.2 Provision applicable to such Owners' meeting

The following provisions shall apply to a meeting convened as provided in Clause 8.1 hereof :-

- (a) The person convening such meeting of the Owners shall, at least fourteen (14) days before the date of the meeting, give notice of the meeting to each Owner. Such notice of meeting shall specify :-
 - (i) the date, time and place of the meeting; and
 - (ii) the resolutions (if any) that are to be proposed at the meeting.
- (b) The notice of meeting referred to in Clause 8.2(a) shall be posted on the public notice boards of or a prominent place in the Development and if possible, may be given :-
 - (i) by delivering it personally to the Owner;
 - (ii) by sending it by post to the Owner at his last known address; or
 - (iii) by leaving at the Owner's Residential Unit or depositing it in the letter box (if any) for that Residential Unit.
- (c) No business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business and Owners present in person or by proxy who in the aggregate have vested in them not less than seventy five per cent (75%) of the total number of Undivided Shares in the part of the Development in question (excluding the Undivided Shares allocated to the Common Areas and Facilities) shall be a quorum.
- (d) If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the same time and day in the following week at the same place, and if at such adjourned meeting a quorum is not present the Owners present shall be deemed to constitute a quorum.

- (e) The chairman of the Owners' Committee or, if the meeting is convened under Clause 8.1(b) or (c), the person convening such meeting shall be the chairman of the meeting.
- (f) The chairman shall cause a record to be kept of the persons present at the meeting and notes of the proceedings thereof.
- (g) At such meeting of the Owners :-
 - (i) an Owner shall have one vote in respect of each Undivided Share or (as the case may be) the part thereof so affected he owns;
 - (ii) an Owner may cast a vote personally or by proxy;
 - (iii) where 2 or more persons are the co-Owners of an Undivided Share or (as the case may be) the part thereof so affected, the vote in respect that Undivided Share or (as the case may be) the part thereof so affected may be cast :-
 - (1) by a proxy jointly appointed by the co-Owners;
 - (2) by a person appointed by the co-Owners from among themselves; or
 - (3) if no appointment is made under Clause 8.2(g)(iii)(1) or (2), either by one of the co-Owners personally or by a proxy appointed by one of the co-Owners.
 - (iv) where 2 or more persons are the co-Owners of an Undivided Share or (as the case may be) the part thereof so affected, and more than one of the co-Owners seeks to cast a vote in respect of the Undivided Share, only the vote that is cast, whether personally 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; and
 - (v) if there is an equality of votes, the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote.
- (h) (i) An instrument appointing a proxy shall be in the form set out in Form 1 in schedule 1A to the Building Management Ordinance (Cap. 344 of the Laws of Hong Kong), and
 - (1) shall be signed by the Owner; or
 - (2) if the Owner is a body corporate, shall notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorised by the body corporate in that behalf.

- (ii) The instrument appointing a proxy shall be lodged with the chairman of the Owners' Committee or, if the meeting is convened under Clause 8.1(b) or (c), the person convening the meeting at least forty-eight (48) hours before the time for the holding of the meeting.
- (iii) A proxy appointed by an Owner to attend and vote on behalf of the Owner shall, for the purposes of the meeting, be treated as being the Owner present at that meeting.
- (i) A resolution passed at a duly convened meeting by a seventy-five per cent (75%) majority of votes of the Owners present in person or by proxy and voting in proportion to the number of Undivided Shares in the relevant part of the Development so affected in question (excluding the Undivided Shares allocated to the Common Areas and Facilities) shall be binding on all the Owners of the relevant part of the Development PROVIDED as follows :-
 - (1) the notice convening the meeting shall specify the intention to propose a resolution concerning such matter;
 - (2) any resolution purported to be passed at any such meeting concerning any other matter shall not be valid;
 - (3) no resolution shall be valid if it is contrary to the provisions of this Deed.
- (j) A resolution in writing signed by Owners who in the aggregate have vested in them for the time being not less than seventy-five per cent (75%) of the Undivided Shares allocated to the part of the Development in question (excluding the Undivided Shares allocated to the Common Areas and Facilities) shall be as valid and effectual as if it had been passed at a duly convened meeting of such Owners.
- (k) The accidental omission to give notice to any Owner shall not invalidate the meeting or any resolution passed thereat.

SECTION 9: MISCELLANEOUS PROVISIONS

9.1 Building Management Ordinance

- (a) Nothing contained in this Deed shall contradict, overrule or fail to comply with the provisions of the Building Management Ordinance (Cap.344 of the Laws of Hong Kong) and the schedules thereto.
- (b) Party A, Party B and Party C (as the first Owners of House 1, House 2 and House 3 respectively) shall deposit a copy of schedules 7 and 8 to the Building Management Ordinance (Cap.344 of the Laws of Hong Kong) (both of the English and Chinese versions) in the management office for reference by all Owners free of costs and for taking copies at their own expense and upon

payment of a reasonable charge. All charges received must be credited to the Special Fund.

9.2 Owners to notify Manager when ceasing to be Owner

Each Owner shall on ceasing to be the Owner of any Undivided Share and the premises enjoyed therewith upon assignment of his Residential Unit notify the Manager of such cessation and of the name and address of the new Owner within one (1) month from the date of the relevant assignment and such Owner shall remain liable for all such sums and for the observance and performance of such terms and conditions up to the date on which he ceases to be the Owner upon assignment of his Residential Unit.

9.3 No liability after ceasing to be Owner

No person shall, after ceasing to be the Owner of any Undivided Share upon assignment of his Residential Unit, be liable for any debt liability or obligation under the covenants, terms and conditions of this Deed in respect of such Undivided Share and the premises held therewith upon assignment of his Residential Unit save and except in respect of any breach, non-observance or non-performance by such person of any such covenant or term and condition prior to his ceasing to be the Owner thereof.

9.4 Public notice boards, etc.

There shall be public notice boards at such places in the Development as the Manager may from time to time determine. There shall be exhibited on each of such public notice boards a copy of the House Rules from time to time in force and all notices which under this Deed are required to be exhibited thereon and such other notices and announcements as the Manager may from time to time decide to exhibit or approve for exhibition thereon. Except in the case of a notice required by this Deed or by law to be served personally or in any other manner, the exhibition of a notice on such public notice boards for seven (7) consecutive days shall be due notice of the contents thereof to each Owner, his tenants, licensees, servants and agents and contractors.

9.5 Service of notices, etc.

Subject as hereinbefore provided in the case of notices to be affixed to the public notice boards, all notices or demands required to be served hereunder shall be sufficiently served if addressed to the party to whom the notices or demands are given and sent by prepaid post to or left at the Residential Unit or the letter box (if any) thereof of which the party to be served is the Owner notwithstanding that such party shall not personally occupy the same PROVIDED HOWEVER THAT where notice is to be given to an Owner who is a mortgagor, such notice may also be served on the mortgagee, if a company, at its registered office or last known place of business in Hong Kong and, if an individual, at his last known address. All notices required to be given to the Manager shall be sufficiently served if delivered personally to the Manager or sent by prepaid post addressed to the Manager's registered office address.

9.6 Provision of address in Hong Kong

Each Owner who is not an occupier in the Development shall provide the Manager with an address in Hong Kong for service of notices under the provisions of this Deed. In the event that the Owner shall fail to provide the Manager with such an address in Hong Kong, then the Manager may treat the address of such Residential Unit as the address for service of notices.

9.7 Compliance with the Government Grant

No provisions in this Deed shall be in breach of the Government Grant and each Owner and the Manager shall covenant with each other to comply with the terms and conditions of the Government Grant so long as the Owner remains as an owner of the Land and the Development and so long as the Manager remains as the manager of the Land and the Development.

9.8 Chinese translation

Party A, Party B and Party C (as the first Owners of House 1, House 2 and House 3 respectively) shall at their own cost provide a direct translation in Chinese of this Deed and deposit a copy of this Deed and the Chinese translation in the management office within one (1) month after the date hereof for inspection by all Owners free of costs and for taking of copies by the Owners at their expense and upon payment of a reasonable charge. All charges received must be credited to the Special Fund. In the event of any dispute arising out of the interpretation of the Chinese translation and the English version of this Deed, the English version of this Deed shall prevail.

9.9 Plans of Common Areas and Facilities

A set of the DMC Plans annexed hereto showing the Common Areas and Facilities shall be kept at the management office and shall be made available for inspection by the Owners free of charge during normal office hours of the Manager.

9.10 During existence of Owners' Corporation

During the existence of an Owners' Corporation of the Development, the general meeting of the Owners' Corporation convened under the Building Management Ordinance (Cap.344 of the Laws of Hong Kong) shall take the place of the meeting of Owners convened hereunder, and the management committee of the Owners' Corporation shall take the place of the Owners' Committee hereunder.

9.11 Works relating to Slope Structures

- (a) The Owners shall at their own expense (in the proportion of the number of Undivided Shares (excluding the Undivided Shares allocated to the Common Areas and Facilities) allotted to their respective Residential Units) maintain and carry out all works in respect of the Slope Structures 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 Slope Maintenance Manual. The Manager (which for the purpose of this Clause shall include the Owners' Corporation, if formed) is hereby given full

authority by the Owners to engage suitable qualified personnel to inspect, keep and maintain in good substantial repair and condition, and to carry out any necessary works in respect of, the Slope Structures 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 the Slope Structures. The Owners shall be responsible for the payment to the Manager of all costs lawfully incurred or to be incurred by the Manager in carrying out such maintenance, repair and any other works in respect of the Slope Structures. The Manager shall not be personally liable for carrying out these requirements of the conditions of the Government Grant, which shall remain the responsibility of the Owners if, having used all reasonable endeavours, it has not been able to collect the costs of the required works from all Owners.

- (b) Within one (1) month after the date of this Deed, Party A, Party B and Party C (as the first Owners of House 1, House 2 and House 3 respectively) shall at their own expenses cause a copy of the Slope Maintenance Manual to be kept at the management office which shall be made available for inspection by the Owners free of charge during the normal office hours of the Manager and taking copies upon payment of a reasonable charge. All charges received must be credited to the Special Fund.

9.12 Works and Installations

- (a) The Schedule of Works and Installations which will require regular maintenance on a recurrent basis is incorporated into this Deed in the Fourth Schedule hereto.
- (b) Party A, Party B and Party C (as the first Owners of House 1, House 2 and House 3 respectively) shall compile the first Maintenance Manual for the Works and Installations for the reference of the Owners and the Manager 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;
 - (vi) Checklist and typical inspection record sheets for routine maintenance inspection;

- (vii) Recommended maintenance cycle of the Works and Installations.
- (c) Within one (1) month after the date of this Deed, Party A, Party B and Party C (as the first Owners of House 1, House 2 and House 3 respectively) shall deposit a full copy of the first Maintenance Manual for the Works and Installations in the management office for inspection by the Owners free of charge and any Owner shall be entitled to a copy thereof upon payment of a reasonable charge to cover the cost of copying the same PROVIDED THAT all charges received therefrom shall be credited into the Special Fund.
- (d)
 - (i) The Manager shall on behalf of and at the cost and expense of the Owners inspect, maintain and carry out all necessary works for the Common Areas and Facilities including those part or parts of the Works and Installations forming part of the Common Areas and Facilities.
 - (ii) The Owners shall at their own costs and expense inspect, maintain and carry out all necessary works for the Residential Units including those part or parts of the Works and Installations forming part of their Residential Units.
- (e) All costs incidental to the preparation of the Schedule of Works and Installations and the Maintenance Manual for the Works and Installations shall be borne by Party A, Party B and Party C (as the first Owners of House 1, House 2 and House 3 respectively).
- (f) The Owners may, by a resolutions passed at an Owners' meeting convened under this Deed, decide on revisions to be made to the Schedule of Works and Installations and the Maintenance Manual for the Works and Installations as may be necessary (e.g. the addition of works and installations in the Land and the Development, the updating of maintenance strategies in step with changing requirements, etc.) in which event the Manager shall procure from a qualified professional or consultant the revised Schedule of Works and Installations and the revised Maintenance Manual for the Works and Installations within such time as may be prescribed by the Owners in an Owners' meeting convened under this Deed.
- (g) All costs and expenses of and incidental to the preparation of the revised Schedule of Works and Installations and the revised Maintenance Manual for the Works and Installations shall be paid out of the Special Fund.
- (h) The Manager shall deposit the revised Maintenance Manual for the Works and Installations in the management office within one (1) month after the date of its preparation for inspection by the Owners free of charge and any Owner shall be entitled to a copy thereof upon payment of a reasonable charge to cover the cost of copying the same PROVIDED THAT all charges received therefrom shall be credited into the Special Fund.

9.13 Deposit of Fire Safety Management Plan

Party A, Party B and Party C (as the first Owners of House 1, House 2 and House 3 respectively) shall deposit a full copy of the Fire Safety Management Plan in the

management office during normal office hours for inspection by the Owners free of charge and taking copies upon payment of reasonable charges. All charges received shall be credited to the Special Fund.

9.14 Deposit of Compensatory Tree Plan and the Maintenance Schedule for Retained and Compensatory Trees

Party A, Party B and Party C (as the first Owners of House 1, House 2 and House 3 respectively) shall deposit a full copy of the Compensatory Tree Plan and a full copy of the Maintenance Schedule for Retained and Compensatory Trees in the management office during normal office hours for inspection by the Owners free of charge and taking copies upon payment of reasonable charges. All charges received shall be credited to the Special Fund.

9.15 Deed binding on executors, etc.

The covenants and provisions of this Deed shall be binding on the parties hereto and their respective executors, administrators, successors in title and assigns and the benefit and burden thereof shall be annexed to and run with the Land and the Development and each and every of the Residential Units and Common Areas and Facilities and to the Undivided Share or Undivided Shares held therewith.

IN WITNESS whereof the parties hereto have executed and delivered this Deed as a deed the day and year first above written.

THE FIRST SCHEDULE

ALLOCATION OF UNDIVIDED SHARES

(I) Residential Units

Residential Unit	Undivided Shares
House 1	666
House 2	502
House 3	526
Sub-Total :	1,694

(II) Common Areas and Facilities

306 Undivided Shares

Summary

Residential Units	1,694 Undivided Shares
Common Areas and Facilities	306 Undivided Shares
Grand Total :	<u>2,000 Undivided Shares</u>

THE SECOND SCHEDULE

RIGHTS, PRIVILEGES AND EASEMENTS

The rights and privileges conferred as particularised under Part A and subject to which as specified in Part B each Undivided Share is held shall only come into effect from the date of this Deed.

Part A

Right and privileges of Owners

The Owner of each Undivided Share together with the full and exclusive right to hold use occupy and enjoy any part of the Development (in this Second Schedule referred to as “**his premises**”) shall have the benefit of the following rights and privileges SUBJECT TO the provisions of the Government Grant, this Deed, the House Rules and the rights of the Manager as provided in this Deed:-

(a) Right of way to use the Common Areas and Facilities

Full right and liberty (but SUBJECT ALWAYS TO the rights of the Manager) for the Owner for the time being, his tenants, servants, agents, lawful occupants and licensees (in common with all persons having the like right) to go pass or repass over and along and to use or to receive the benefit of the Common Areas and Facilities for all purposes connected with the proper use and enjoyment of his premises SUBJECT as aforesaid;

(b) Right to support and shelter

The right to subjacent and lateral support and to shelter and protection from the other parts of the Development SUBJECT as aforesaid;

(c) Right of passage of water, etc.

The free and uninterrupted passage and running of water, sewage, gas (if any), electricity, ventilation, air-conditioning, telephone and various other services (if any) from and to his premises through the gutters, sewers, drains, flues, conduits, ducts, watercourses, cables, pipes and wires and other conducting media serving his Residential Unit and which now are or may at any time hereafter be in, under or passing through his premises or the Development or any part or parts thereof for the proper use and enjoyment of his premises SUBJECT as aforesaid; and

(d) Right of entry to other parts of the Development to repair

The right for any Owner with or without workmen plant equipment and materials at reasonable times to enter upon other parts of the Development upon giving reasonable prior notice to the Manager (except in the case of emergency) or Residential Units (SUBJECT TO obtaining the agreement of the Owner concerned (except in the case of emergency)) for the sole purpose of carrying out any works for the maintenance and repair of his premises including any conducting media exclusively serving the same

(such work not being the responsibility of the Manager under this Deed and which cannot practically be carried out without such access) causing as little disturbance as possible and forthwith making good any damage caused thereby SUBJECT as aforesaid. For the purpose of this sub-clause, "conducting media" means pipes, wires, cables, sewers, drains, water courses, trunking, ducts, flues, gutters, gullies, channels, conduits and other media.

Part B

The following are the rights and privileges subject to which the Owner of each Undivided Share and the exclusive right to hold, use, occupy and enjoy his premises is held:-

(a) Manager's right of entry

The full right and privilege of the Manager at all reasonable times upon prior reasonable notice (except in the case of emergency) with or without agents, surveyors, workmen and others and with or without equipment and apparatus to enter into and upon his premises for the purposes of carrying out necessary repairs to the Development or any part or parts thereof or any of the Common Areas and Facilities therein or any other apparatus and equipment used or installed for the benefit of the Development or any part or parts thereof as part of the amenities thereof or to abate any hazard or nuisance which does or may affect the Common Areas and Facilities or other Owners, PROVIDED THAT the Manager shall cause as little disturbance as possible and shall forthwith make good any damage caused thereby at his own costs and expense and shall be liable for the negligent, wilful or criminal acts of the Manager, its employees, agents, contractors or workmen in the course of exercising the aforesaid rights.

(b) Other rights and privileges

Rights and privileges equivalent to those set forth in sub-paragraphs (b), (c) and (d) of Part A of this Second Schedule.

Part C

The following are the rights and privileges subject to which the Owner of the Undivided Shares and the exclusive right to hold, use, occupy and enjoy House 2 is held and the benefit of which the Owners of the Undivided Shares and the exclusive right to hold, use, occupy and enjoy their respective House 1 and House 3 shall enjoy:

(a) Right of entry to refuse storage and material recovery chamber through House 2

(i) The right for the Owners of House 1 and House 3, their respective tenants, servants, agents, invitees and licensees at all reasonable times to go pass and repass over and along the open grounds on the Lower Ground Floor of House 2 but causing as little disturbance as possible in order to gain access to and egress from the refuse storage and material recovery chamber (which forms a part of the Common Areas and Facilities) for refuse disposal purposes in connection with the proper use and enjoyment of House 1 and House 3 by their respective Owners and occupants.

- (ii) The right for the Manager at all reasonable times to go pass and repass over and along the open grounds on the Lower Ground Floor of House 2 but causing as little disturbance as possible in order to gain access to and egress from the refuse storage and material recovery chamber (which forms a part of the Common Areas and Facilities) for refuse collection and disposal purposes in connection with the Manager's proper management of the Land and the Development and the Common Areas and Facilities therein.

THE THIRD SCHEDULE

COVENANTS, PROVISIONS AND RESTRICTIONS

1. Not to partition the Land, the Development or any of the Residential Units

No Owner shall at any time exercise or attempt to exercise any statutory or common law right to partition the Land or the Development or any of the Residential Units therein.

2. Not to interfere with the construction, management, etc. of the Development

No Owner shall do or permit or suffer to be done by his tenants, occupiers or licensees 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 Development at any time in the course of construction or the management and the maintenance of the Development.

3. No conversion of the Common Areas and Facilities

- (a) No Owner shall have the right to convert any part of the Common Areas and Facilities to his own use or for his own benefit unless approved by the Owners' Committee (if formed). Any payment received for the approval shall be credited to the Special Fund.
- (b) Subject to Paragraph 3(c) below, no Owner shall have the right to convert or designate any of his own areas to be Common Areas and Facilities unless the approval by a resolution of Owners at an Owners' meeting convened under this Deed has been obtained. No Owner shall have and the Manager shall not have the right to re-convert or re-designate the Common Areas and Facilities to his or its own use or benefit save as otherwise provided for when the area in question was so converted or designated.
- (c) Notwithstanding Paragraph 3(b) above, an Owner may convert or designate any of his own areas as Common Areas and Facilities for the common use or benefit of some but not all the Owners (the “**affected owners**”); and in that event, only the approval of the affected owners will be required Provided That no expenses for the maintenance or management of such common areas and facilities shall be borne or paid by any other Owners who do not share in the common use or benefit thereof. The affected owners may not reconvert or re-designate any such common areas to the own use or benefit of one or more of them unless it is so provided for when the area in question was so converted or designated.

4. Not to obstruct the Common Areas and Facilities

No part of the Common Areas and Facilities shall be obstructed nor shall any refuse or other matter or things be placed or left thereon and no Owner shall do or suffer or

permit to be done anything in such areas as may be or become a nuisance to any other Owners or occupiers of any other part of the Development.

5. Not to allow articles to obstruct Common Areas and Facilities

- (a) Not to allow bicycles, baby carriages or similar vehicles to obstruct any part of the Common Areas and Facilities.
- (b) Without limiting the generality of the foregoing, no Owner shall obstruct or permit to be obstructed the common driveway within the Development, which common driveway shall be kept free and clear for vehicular passage at all times.

6. Supervision of children

No Owner or occupier of a Residential Unit shall allow any child or children residing at his Residential Unit or being his bona fide visitor or visitors to play in the Common Areas and Facilities and any damage to or discolouration to decorations in the Common Areas and Facilities by children shall be paid for by the Owner or occupier of the Residential Unit (a) in which the child or children concerned reside or (b) whom the child or children is his bona fide visitor.

7. Preservation of Trees and Compensatory Trees

- (a) No Owner shall remove, interfere with, damage or cut any tree growing on the Land including but not limited to the Compensatory Trees within the boundaries of his Residential Unit including the garden ancillary thereto or relocate any Compensatory Trees without the prior written consent of the Director of Lands (or other Government authorities, where required) and the Manager.
- (b) Each Owner shall keep, maintain and preserve the Compensatory Trees within the boundaries of his Residential Unit including the garden ancillary thereto at his own cost and expense to the satisfaction of the Manager and in accordance with the Compensatory Tree Plan and the terms and conditions as set out in the Maintenance Schedule for Retained and Compensatory Trees.
- (c) No Owner shall remove, fell, cleave, level or interfere with any Compensatory Tree within the boundaries of his Residential Unit including the garden ancillary thereto in breach of or contrary to the terms and provisions of this Deed, the Compensatory Tree Plan and the Maintenance Schedule for Retained and Compensatory Trees.
- (d) In the event that a Compensatory Tree within the boundaries of his Residential Unit including the garden ancillary thereto has been removed, felled, cleaved, levelled or interfered with by the act, omission or neglect of the Owner of such Residential Unit, natural causes or any other circumstances (including those outside the control of such Owner), such Owner shall at his own cost and expense plant, grow and maintain the tree(s) and/or shrub(s) (i) to the satisfaction of the Director of Lands (or other Government authorities, where

required) and (ii) in accordance with any requirement(s) and direction(s) as may be determined by the Manager in his sole discretion.

- (e) Each Owner shall be responsible for indemnifying the other Owners in respect of any breach of this covenant including a breach by the occupants of his Residential Unit and their guests or visitors.
- (f) The Manager shall have the right to enter any Residential Unit including the garden ancillary thereto upon giving reasonable notice (except in the case of emergency) with or without workmen, contractors and landscape architect's representatives and with or without equipment for the purpose of inspecting and ascertaining if the Owner of such Residential Unit is duly complying with his obligations under this Paragraph 7. In the event that such Owner is found to be in breach of any of his obligations under this Paragraph 7 and fails to remedy such breach or breaches within the time period as specified by the Manager, the Manager shall have the right (and such Owner expressly authorizes the Manager) to carry all possible remedial measures at the sole cost and expense of such Owner and all such costs and expenses so incurred by the Manager shall be recoverable as a debt due from such Owner to the Manager.

8. Fire Safety Management Plan

The Owner of the Residential Unit (with open kitchen) shall at his own costs and expenses observe and comply with the Fire Safety Management Plan, in particular the provisions set out in the Fifth Schedule hereto, and any guideline or direction to be issued or given by the Manager from time to time relating to the implementation of the Fire Safety Management Plan and shall cause his tenants and other occupants of his Residential Unit to observe and comply with the same.

9. Sewage treatment plant

In the event that Government sewers are laid and made available in the vicinity of the Land, the Owners shall, at their own expense, alter or construct and maintain the sewers, sewage treatment plants and sewage disposal facilities within the Land in order to connect the same to such Government sewers. The Manager (which for the purpose of this Paragraph shall include the Owners' Committee or Owners' Corporation, if formed) is hereby given full authority by the Owners to engage suitable qualified personnel to carry out such connection works in accordance with the terms and conditions as may be imposed by the Government or other appropriate Government department(s). The Owners shall be responsible for the payment to the Manager of all costs lawfully incurred or to be incurred by the Manager in carrying out such works. The Manager shall not be personally liable for carrying out any such works which shall remain the responsibility of the Owners if, having used all reasonable endeavours, it has not been able to collect the costs of the required works from all Owners.

10. No structural alteration

No Owner shall make any structural alteration to any part of the Development owned by him (including but not limited to the external walls, structure or façade of the

Residential Unit owned by him or any installation or fixture therein) which may damage or affect or interfere with or affect the right of Other Owner(s) or the use and enjoyment of any other part or parts of the Development whether in separate or common occupation (in particular the supply of water, electricity, gas (if any) or other utilities) nor shall any Owner use, cut, injure, damage, alter or interfere with any part or parts of the Common Areas and Facilities or any equipment or apparatus on, in or upon the Land or the Development not being equipment or apparatus for his exclusive use and benefit.

11. Not to erect partitioning to block the fire exits and windows

No partitioning shall be erected or installed in a Residential Unit which does not leave clear access for fire exits and no windows shall be wholly or partially blocked or the light and air therefrom in any way obstructed.

12. To upkeep garden, external wall, swimming pool etc. of Residential Units

- (a) Every Owner shall keep the garden, façade, swimming pool, private driveway (including the false ceiling above and the ceiling lights at such false ceiling), carport (including the car parking spaces therein) and the external walls of his Residential Unit in good, clean and tidy state and condition and properly painted.
- (b) Every Owner shall keep and maintain the interior of his Residential Unit (including, without limitation, any Party Wall and fence wall forming part of his Residential Unit) and all wirings and piping thereto which do not form part of the Common Areas and Facilities and all electrical and sanitary appliances thereto in good repair and condition.

13. Not to display advertising sign from Residential Unit

No Owner 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 Residential Unit any advertising or other sign of any description (except a small name plate outside the entrance door or gate of a Residential Unit giving the Owner's or occupier's name).

14. Not to install external signs, etc. outside the exterior of Residential Unit

No Owner shall erect, install or otherwise affix or allowed to be erected, installed or otherwise affixed any external signs, signboards, notices, flags, banners, poles, cages, shades, or other projections or structures whatsoever on the external surfaces of or extending outside the exterior of his Residential Unit or any part of the Development or be projected from the Development or any part thereof.

15. Not to affix any metal grille, screen, frame, shutter or gate

No Owner shall permit or suffer to be erected, affixed, installed or attached in or on or at the window or windows or door or doors or entrance or entrances of any part of his Residential Unit any metal grille, screen, frame, shutter or gate.

16. Not to alter the facade or external appearance of Residential Unit or Development

No Owner shall paint or alter the outside of the Residential Unit or any part of the Development, or do or permit to be done any act or thing which may or will alter the façade or external appearance of the Residential Unit or the Development (including any part owned by him).

17. Not to alter the external private planters, etc.

No Owner shall alter, remove or replace the external private planter (if any) forming part of his Residential Unit.

18. No building or structure on Pink Hatched Black Area

Except with the prior written consent of the Director of Lands, no building or structure support for any building or structure may be erected or constructed on the Pink Hatched Black Area except boundary walls or fences or both.

19. No building or structure on Pink Hatched Black Area forming part of House 1

Except with the prior written consent of the Director of Lands, the Owner of any part of the Pink Hatched Black Area forming part of his House 1 shall not erect or construct or permit or suffer to be erected or constructed any building or structure support for any building or structure on the Pink Hatched Black Area except boundary walls or fences or both.

20. Restrictions on use of roof, upper roof, garden etc. of a Residential Unit

(a) No Owner shall install, erect or build or suffer to be installed, erected or built on or upon the roof, upper roof, carport, external walls or fence walls (including Party Walls) forming part of his Residential Unit, any walls, windows, gates, doors, curtains, external awnings, canopies, partitions, water fountains, fish ponds, satellite dishes or any other structure or thing whatsoever either of a permanent or temporary nature.

(b) Without prejudice to Paragraphs 18 and 19 above, no Owner shall install, erect or build or suffer to be installed, erected or built on or upon the garden forming part of his Residential Unit any swimming pool (other than the swimming pool built in accordance with the Building Plans and forming part of such Residential Unit at the date of this Deed), pool, walls, windows, gates, doors, curtains, external awnings, canopies, partitions, water fountains, fish ponds or any other structure or thing whatsoever either of a permanent or temporary nature.

21. Not to interfere with communal television and radio aerial system, etc. provided in the Development

No Owner shall cut, maim, alter, affix, interfere with or in any other way affect any pipes, valves, ducts, lightning conductors, aerial and equipment for the reception of television and radio aerial system, satellite and/or cable television system (if any), fixtures or any other installation within any portion of the roofs or flat-roofs or

external surfaces provided in the Development as part of the Common Areas and Facilities.

22. Not to install private aerial system, air-conditioner, etc.

- (a) No Owner shall affix or install his own private aerial outside any part of the Residential Unit or the Development.
- (b) No air-conditioner or other units shall be installed through any window or external wall of the Residential Unit other than at places designated for such purpose and all possible measures shall be taken to prevent excessive noise, condensation or dripping on to any part of the Land or the Development. Every Owner shall also at his own cost and expense keep and maintain the air-conditioner or other units or plants (if any) serving exclusively his part of the Development in good repair and condition.

23. Not to perform installation or repair works to the electrical wiring

No Owner shall perform installation or repair works to the electrical wiring from the switch rooms to any part or parts of the Development save with the written approval of the Manager and such works shall be carried out by the Manager or any contractor appointed by the Manager at the expense of such Owner and in such manner as the Manager shall in its absolute discretion think fit.

24. User

- (a) No Residential Unit shall be used for any purpose other than for private residential purpose and in particular shall not be used for any form of commercial letting in bed spaces or cubicles SAVE AND EXCEPT that an Owner may, subject to the provisions of the Government Grant, use its Residential Unit as show unit(s) and/or sales office and related marketing activities subject to the prior written approval of the Director of Lands.
- (b) No car parking space within a carport or appertaining to any Residential Unit shall be used for any purpose other than for the parking of motor vehicle licensed under the Road Traffic Ordinance (Cap. 374 of the laws of Hong Kong) and belonging to the residents of such Residential Unit and their bona fide guests, visitors or invitees. In particular, such car parking space or car parking spaces shall not be used for the storage, display or exhibiting of motor vehicles for sale or otherwise.

25. Not to use for illegal or immoral purpose

No Owner shall use or permit or suffer the part of the Development owned by him to be used for any illegal or immoral purpose nor shall 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 and occupiers for the time being of the Development.

26. Not to use for offensive purpose, etc.

- (a) No Owner shall use or permit or suffer any part of the Development owned by him to be used except in accordance with the Government Grant, the Occupation Permit, this Deed, and any Ordinances and Regulations from time to time applicable thereto.
- (b) No Owner shall use or cause or permit any Residential Unit to be used for industrial or godown purposes or for the purpose of mahjong school, funeral parlour, coffin shop, temple, buddhist hall or for the performance of the ceremony known as “Ta Chai (打齋)” or any similar ceremony or as a boarding house, sub-divided flat (劏房), apartment house, dance hall, music hall or for any noisy or offensive trade or business.

27. Not to store dangerous goods, etc. in Residential Unit

No Owner shall store or permit to be stored in any Residential Unit any hazardous, dangerous, combustible or explosive goods or materials except such as may be reasonably required for the purpose of domestic cooking and heating.

28. Not to store goods in Residential Unit

No Residential Unit or any part thereof shall be used for the storage of goods or merchandise other than the personal and household possession of the Owner or occupier.

29. Floor loading

No Owner shall place on any part of the floors of the Development any article, machinery, goods or merchandise which may cause the maximum floor loading-bearing capacity thereof (as specified on such floor) to be exceeded and in the event of breach of this covenant the Owner in default shall make good any damage caused thereby to that part of the Development or any fixtures and fittings therein.

30. Not to hang clothing or laundry outside Residential Unit or Common Areas and Facilities

No clothing or laundry shall be hung outside the Residential Unit or any part thereof or in the Common Areas and Facilities.

31. Not to hang washing upon roofs, upper roofs, gardens, railings etc. of Development

No Owner shall keep, hang or exhibit or permit or suffer to be kept, hung or exhibited any washing, cloth, clothing or any unsightly objects or store or permit or suffer to be stored any articles upon the roofs, upper roofs, gardens, railings, external walls or fence walls (including Party Walls) of any of the Residential Units or any other areas which in the opinion of the Manager shall be undesirable or constitute a nuisance to other Owners or occupiers of the Development and the Manager shall have the right to remove such articles without notice at the cost of the offending Owner.

32. Not to clog the drainage system

No Owner shall do or suffer or permit to be done anything whereby the flush or drainage system of the Development may be clogged or efficient working thereof may be impaired.

33. Not to misuse water closets

Not to use water closets and other water apparatus in the Development for any purpose other than those for which they were constructed nor shall any sweeping, rubbish, rags or any other articles be thrown into the same. Any damage resulting from misuse of any water closets or apparatus shall be paid for by the Owner or occupier in whose Residential Unit it shall have been caused.

34. No excessive noise

No Owner shall make or cause or permit any disturbing noise in his part of the Development or do or cause or permit anything to be done which will interfere with the rights, comforts and convenience of other Owners or occupants of the Development.

35. No playing of mahjong between mid-night and 9 a.m.

No Owner shall permit the playing of mahjong in his part of the Development between mid-night and 9 a.m. so as to cause disturbance to the Owners or occupiers of any other part of the Development.

36. Not to discard refuse, etc.

No Owner shall throw out or discard or permit or suffer to be thrown out or discarded from any part of the Development owned by him any refuse, rubbish, litter or other article or thing whatsoever except using the services or facilities provided for the disposal thereof.

37. To pay Government rent

Every Owner shall pay and discharge all existing and future Government rent (unless the same forms part of the management expenditure pursuant to the provisions of this Deed), taxes, rates, assessments and outgoings payable in respect of such part of the Development of which he is the Owner and to indemnify the other Owners from and against all liability thereof.

38. Pets

No livestock, live poultry, dogs, cats, birds or other animals or fowls shall be kept or harboured in any part of the Development if, in the opinion of the Manager, such livestock, live poultry, dogs, cats, birds or other animals or fowls is causing a nuisance or disturbance to other Owner or Owners or occupiers of the Development or if the same has been the cause of reasonable written complaint of the other Owner or Owners or at least two (2) other occupiers of the Development, the reasonableness of the complaint shall be determined by the Manager at its absolute discretion. In any

event, no dogs shall be permitted in the Common Areas and Facilities unless carried or on leash. No pet toileting is allowed in the Common Areas and Facilities.

39. Not to vitiate insurance

No Owner shall permit or suffer to be done any act or thing in contravention of the terms and conditions of the Government Grant or whereby any insurance on the Development or any part thereof may become void or voidable or whereby the premia for any such insurance may be increased and in the event of any breach of this Clause by any Owner, in addition to any other liability incurred thereby, such Owner shall pay to the Manager the amount of any increase in premium caused by or on account of such breach.

40. Party Wall

The following shall apply where there is a Party Wall (and for the avoidance of doubt, such Party Wall not being an external wall enclosing the domestic unit of a Residential Unit):-

- (a) The Owners of the Residential Units with a Party Wall shall each have the right to the use of the interior surface of the Party Wall on his side.
- (b) Such Party Wall shall be repaired and maintained at the joint expenses of the Owners of the Residential Units which the Party Wall adjoins or separates or divides.
- (c) Neither Owner shall use any portion of the Party Wall so as to interfere with the use and enjoyment of the other Owner.
- (d) Neither Owner shall erect any fence or any structure (including but not limited to spikes or wires) on top of the Party Wall without the prior written consent of the other Owner.
- (e) Neither Owner shall put structures of any kind (including but not limited to fish ponds) so near to the Party Wall as to cause leakage of water to the other side of the Party Wall or are likely to cause the Party Wall to collapse.
- (f) Neither Owner shall demolish the Party Wall or any part thereof or carry out any alteration to or do anything which may damage or affect or interfere with the use and enjoyment of the Party Wall nor shall such Owner use, cut, injure, damage, alter or interfere with any part or parts of the Party Wall.
- (g) If the Party Wall or any portion thereof, except the interior surface of any one side, is damaged or injured from any cause, other than the act of negligence of either Owner, it shall be repaired or rebuilt at their joint costs and expenses.

41. No enclosing or obstruction of private right of way or private driveway

No Owner shall enclose or fence off any part of the private right of way or private driveway leading from the Ground Floor to the Lower Ground Floor of his Residential

Unit with hoarding, gate, shutter, partition or other structure (whether of a permanent or temporary nature) or obstruct such private right of way or private driveway in any way or manner. The private right of way and private driveway appertaining to each Residential Unit shall be kept free and clear and unobstructed at all times.

42. To observe the Government Grant, etc.

Every Owner and the Manager shall covenant with each other to observe and comply with all terms and provisions of the Government Grant, this Deed, the House Rules and all instructions and requests of the Manager reasonably arrived at in accordance with the provisions of this Deed so long as (in the case of an Owner) he remains an Owner of an Undivided Share and in the case of the Manager) he remains the Manager of the Land and the Development.

43. Not to contravene the Air Pollution Control Ordinance

No Owner shall install any furnace, boiler or other plant or equipment or use any fuel or use any method or process of manufacture or treatment which might in any circumstances result in the discharge or emission whether it be in the form of gas, smoke, liquid or otherwise and which shall in the opinion of the Manager be excessive or unnecessary or which may contravene the Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong) or any amendments thereto.

44. Not to contravene the Fire Services Ordinance

No Owner shall make any alteration to or interfere with the sprinkler system or any other fire fighting equipment or suffer to be done anything to such sprinkler system or fire fighting equipment which would constitute a breach of the Fire Services Ordinance (Cap.95 of the Laws of Hong Kong) or any by-laws or regulations made thereunder. If any extension of the sprinkler heads or smoke detectors or alteration to the fire fighting equipment shall be required by any Owner then such works, subject to the prior approval of the Manager, shall be carried out by the Manager or any contractor appointed or approved by the Manager at the expense of such Owner and in such manner as the Manager shall in its absolute discretion think fit.

THE FOURTH SCHEDULE

WORKS AND INSTALLATIONS

- (a) structural elements;
- (b) external wall finishes and roofing materials;
- (c) fire safety elements;
- (d) the Slope Structures;
- (e) plumbing system;
- (f) drainage system;
- (g) fire services installations and equipment (including the Fire Service Installations for Open Kitchen);
- (h) electrical wiring system;
- (i) lift installations (if applicable);
- (j) gas supply system (if applicable);
- (k) window installations; and
- (l) other major items (e.g. central conditioning system and ventilation system etc.)

THE FIFTH SCHEDULE

FIRE SAFETY MANAGEMENT PLAN

1. An Owner of Residential Unit with open kitchen (in this Fifth Schedule, the "**Relevant Owner**") shall be responsible for maintenance and annual inspection of the Fire Service Installations for Open Kitchen within his Residential Unit.
2. The Relevant Owner shall not:-
 - (a) alter, remove or obstruct any kind of smoke detectors, door and alarm buzzers provided inside his Residential Unit;
 - (b) alter, remove or obstruct the sprinkler head provided at the ceiling immediately above the open kitchen of his Residential Unit;
 - (c) alter or remove the FRR Wall of his Residential Unit;
 - (d) remove the permanent notice displayed in his Residential Unit for the purpose of reminding the occupants that the FRR Wall should not be modified or removed; or
 - (e) relocate the cooking stove in the open kitchen of his Residential Unit.
3. The Relevant Owner shall keep and maintain the Fire Service Installations for Open Kitchen inside the Residential Unit in good (workable) condition at his own costs and expenses.
4. The Relevant Owner shall allow the Manager with or without the registered fire services installation contractor(s) to enter with or without workmen, contractors and others and with or without equipment and apparatus at all reasonable times on prior reasonable notice (except in case of emergency) into his Residential Unit to carry out (at the cost and expense of the Relevant Owner) regular and annual inspection and/or certification of the Fire Service Installations for Open Kitchen.
5. In the event that the Relevant Owner parts with possession of his Residential Unit, such Owner shall procure the tenant, licensee or occupier (as the case may be) to comply with the Fire Safety Management Plan, in particular the provisions set out under this Fifth Schedule, and make it a condition in the relevant agreement (if any).
6. The costs and expenses incurred by the Manager and/or the registered fire service installation contractor(s) for the maintenance and annual inspection of the Fire Service Installations for Open Kitchen for Residential Units with open kitchen shall be borne by the Relevant Owner on demand.

Party A

EXECUTED and DELIVERED as a DEED)
by **SUNSHINE ARCH LIMITED and SEALED**)
with the **COMMON SEAL of SUNSHINE**)
ARCH LIMITED in the presence of and)
SIGNED by Lincoln Lu, Director and)
Leung Hoi Ning Elisa on behalf of Orion)
Nominees Limited, Director)
duly authorised by resolution of its board of)
directors whose signature(s) is/are verified by :-)

Winnie Ka Wai Li
Mayer Brown
Solicitor, Hong Kong SAR

For and on behalf of
Orion Nominees Limited
東立秘書服務有限公司
Authorized Signature(s)

Party B

EXECUTED and DELIVERED as a DEED)
by **HEATHER MERIT LIMITED and**)
SEALED with the **COMMON SEAL of**)
HEATHER MERIT LIMITED in the presence)
of and **SIGNED** by Lincoln Lu, Director and)
Leung Hoi Ning Elisa on behalf of Orion)
Nominees Limited, Director)
duly authorised by resolution of its board of)
directors whose signature(s) is/are verified by :-)

Winnie Ka Wai Li
Mayer Brown
Solicitor, Hong Kong SAR

For and on behalf of
Orion Nominees Limited
東立秘書服務有限公司
Authorized Signature(s)

Party C

EXECUTED and DELIVERED as a DEED)
by **KNIGHT VALE LIMITED and SEALED**)
with the **COMMON SEAL of KNIGHT VALE**)
LIMITED in the presence of and **SIGNED** by)
Lincoln Lu, Director and Leung Hoi Ning)
Elisa on behalf of Orion Nominees Limited,)
Director)
duly authorised by resolution of its board of)
directors whose signature(s) is/are verified by :-)

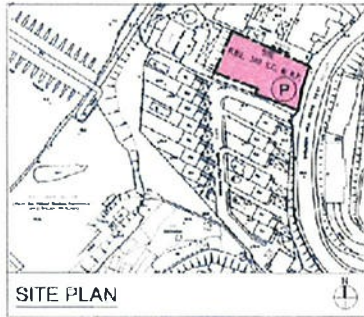
Winnie Ka Wai Li
Mayer Brown
Solicitor, Hong Kong SAR

For and on behalf of
Orion Nominees Limited
東立秘書服務有限公司
Authorized Signature(s)

EXECUTED and DELIVERED as a DEED
by **ORION HOSPITALITIES LIMITED**
東立酒店管理有限公司 and **SEALED** with the
COMMON SEAL of ORION HOSPITALITIES
LIMITED 東立酒店管理有限公司 in the presence
of and **SIGNED** by Lincoln Lu, Director
and Liu Ho Yin, Director

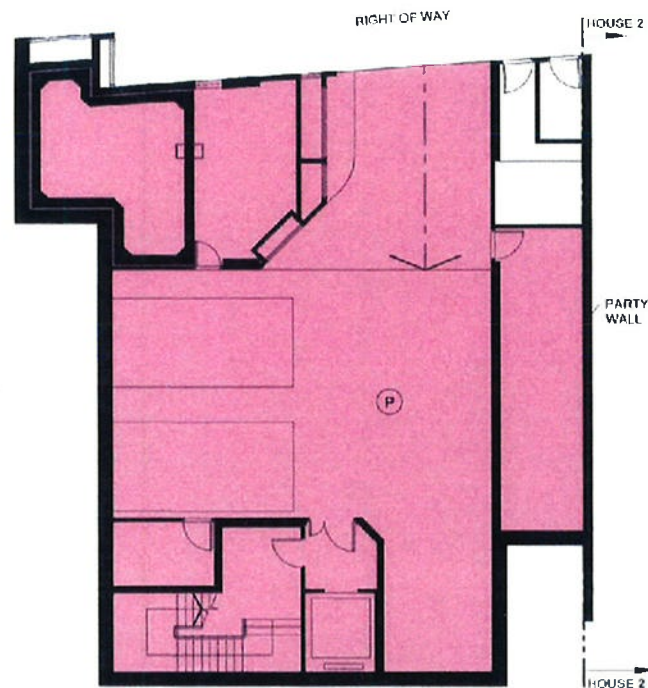
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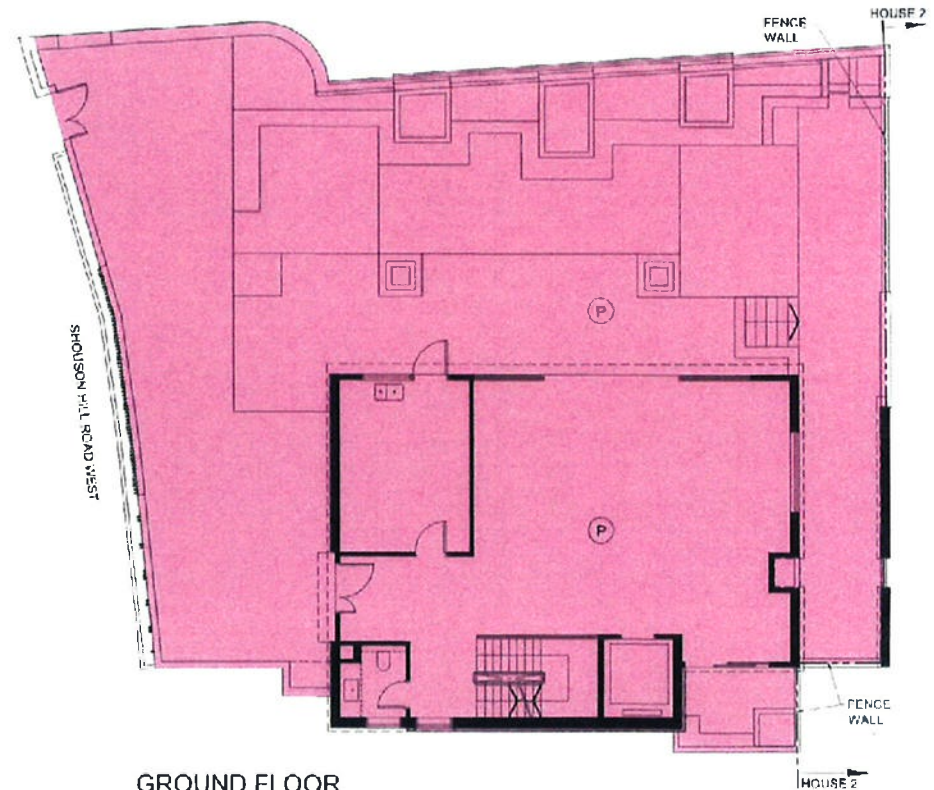


COLOUR CODE

P = PINK



LOWER GROUND FLOOR



GROUND FLOOR

LOWER GROUND FLOOR AND GROUND FLOOR PLANS OF HOUSE 1

NOTES:

1. THIS PLAN IS FOR IDENTIFICATION PURPOSES ONLY.
2. THIS PLAN IS SUBJECT TO ANY AMENDMENTS WHICH MAY BE APPROVED BY THE LANDS DEPARTMENT.

SCALE: 0m 5m 10m



LAI SIU KIN
AUTHORIZED PERSON - ARCHITECT

 LU TANG LAI ARCHITECTS LTD
呂鄧黎建築師有限公司

R.B.L. NO. 349 S.C. and R.P.

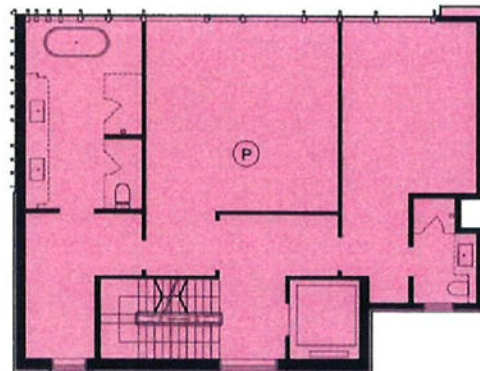


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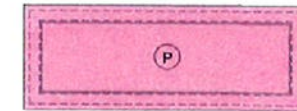
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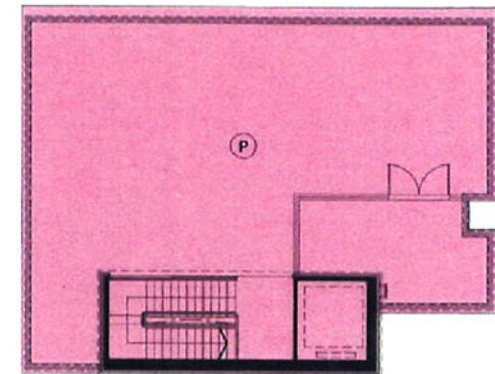
FIRST FLOOR



SECOND FLOOR



TOP ROOF FLOOR



ROOF FLOOR

FIRST FLOOR, SECOND FLOOR, ROOF FLOOR AND TOP ROOF FLOOR PLANS OF HOUSE 1

NOTES:

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SCALE : 0m 5m 10m

LAI SIU KIN
AUTHORIZED PERSON - ARCHITECT

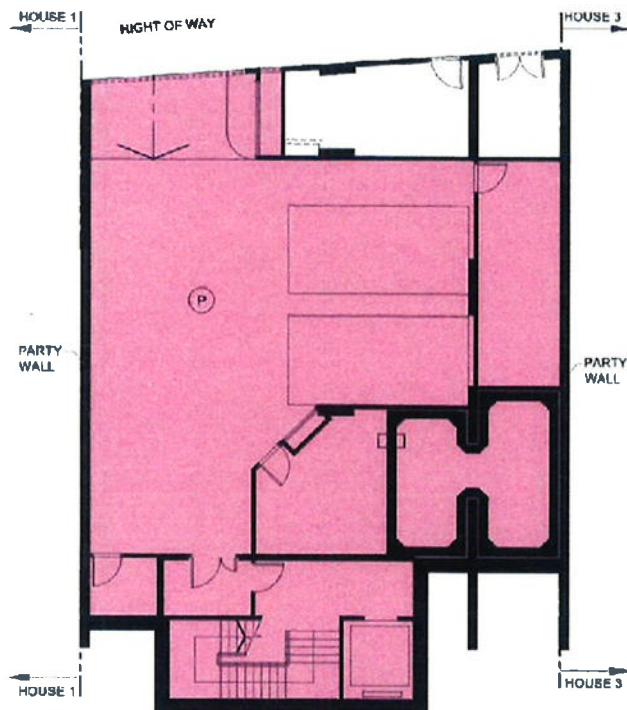
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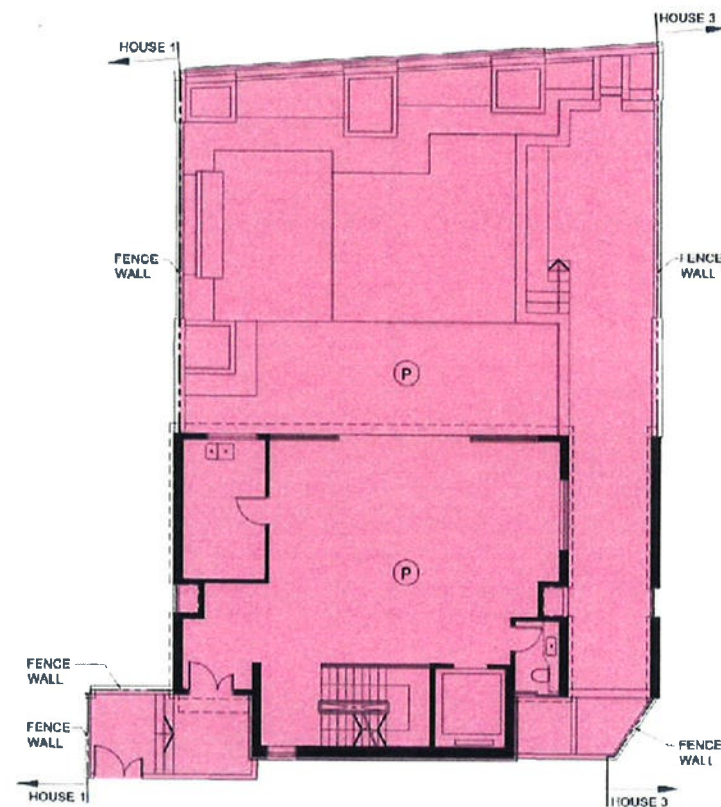


COLOUR CODE

(P) = PINK



LOWER GROUND FLOOR



GROUND FLOOR

LOWER GROUND FLOOR AND GROUND FLOOR PLANS OF HOUSE 2

NOTES:

1. THIS PLAN IS FOR IDENTIFICATION PURPOSES ONLY.
2. THIS PLAN IS SUBJECT TO ANY AMENDMENTS WHICH MAY BE APPROVED BY THE LANDS DEPARTMENT

SCALE : 0m 5m 10m



LAI GIU KIN
AUTHORIZED PERSON - ARCHITECT

LU TANG LAI ARCHITECTS LTD
呂鄧樂達建築師有限公司

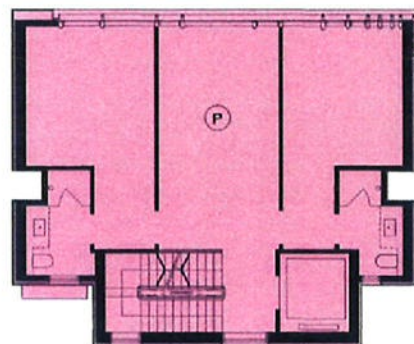
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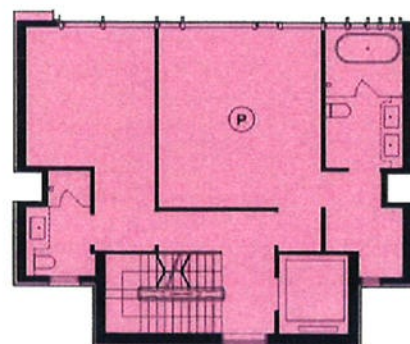
SITE PLAN

COLOUR CODE

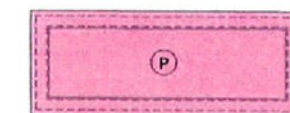
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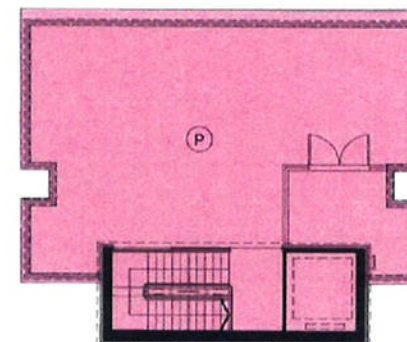
FIRST FLOOR



SECOND FLOOR



TOP ROOF FLOOR



ROOF FLOOR

FIRST FLOOR, SECOND FLOOR, ROOF FLOOR AND TOP ROOF FLOOR PLANS OF HOUSE 2

NOTES:

1. THIS PLAN IS FOR IDENTIFICATION PURPOSES ONLY
2. THIS PLAN IS SUBJECT TO ANY AMENDMENTS WHICH MAY BE APPROVED BY THE LANDS DEPARTMENT.

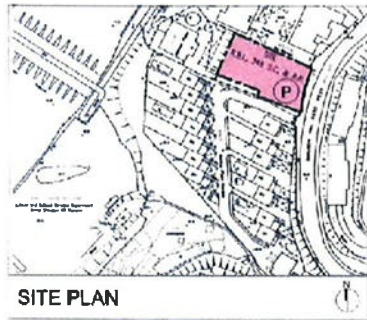
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LAI SIU KIN
AUTHORIZED PERSON - ARCHITECT



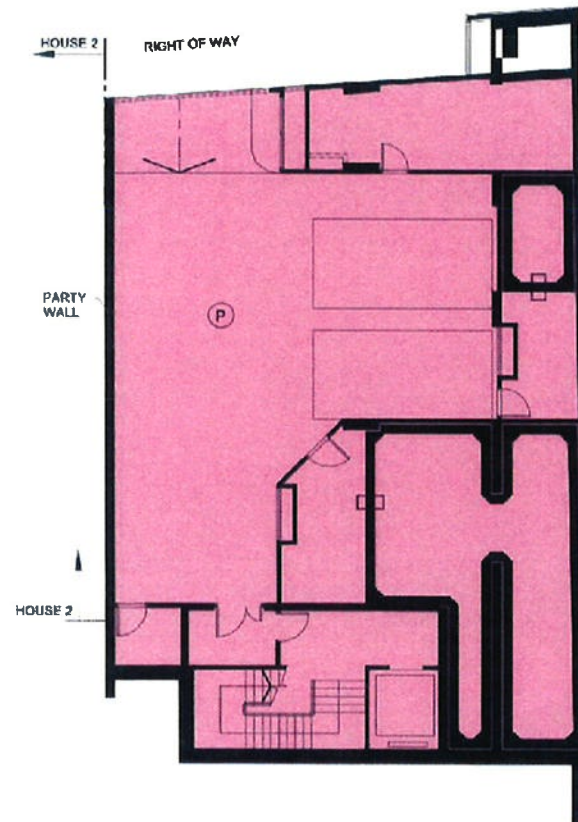
IU TANG LAI ARCHITECTS LTD.
呂鄭黎建築師有限公司

R.B.L. NO. 349 S.C. and R.P.

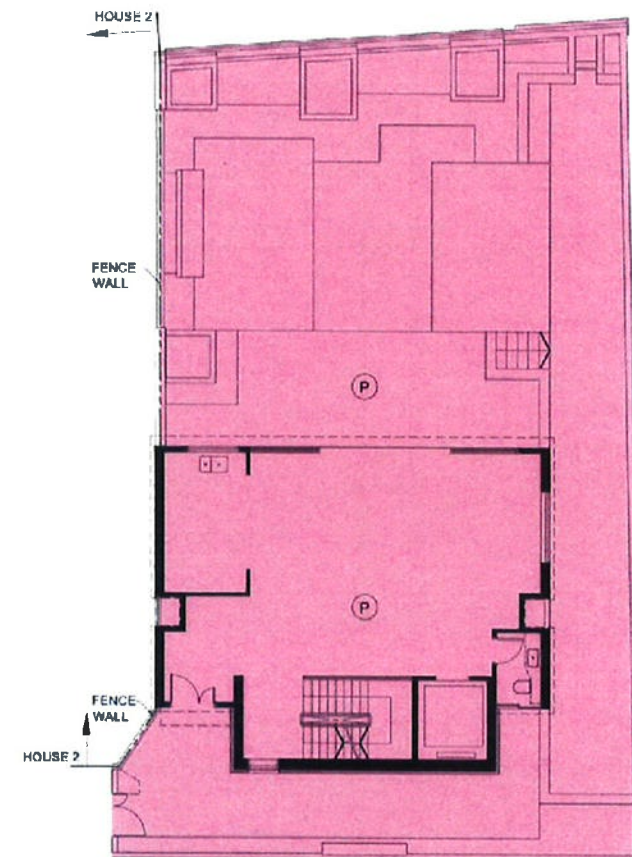


COLOUR CODE

(P) = PINK



LOWER GROUND FLOOR



GROUND FLOOR

LOWER GROUND FLOOR AND GROUND FLOOR PLANS OF HOUSE 3

NOTES:
1. THIS PLAN IS FOR IDENTIFICATION PURPOSES ONLY.
2. THIS PLAN IS SUBJECT TO ANY AMENDMENTS WHICH MAY BE APPROVED BY THE LANDS DEPARTMENT

SCALE : 0m 5m 10m

LAI SIU KIN

AUTHORIZED PERSON - ARCHITECT

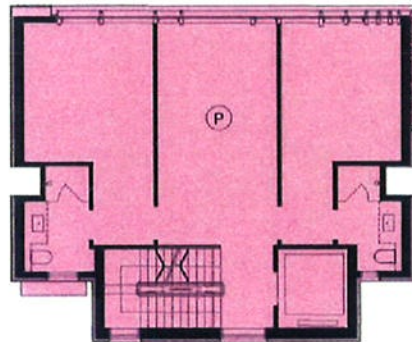
LU TANG LAI ARCHITECTS LTD
呂鄺樂達建築師有限公司

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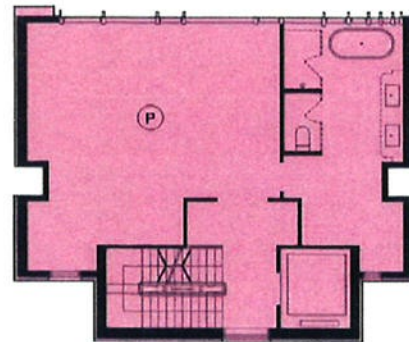


COLOUR CODE

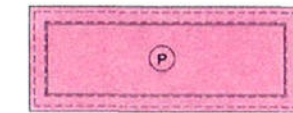
(P) = PINK



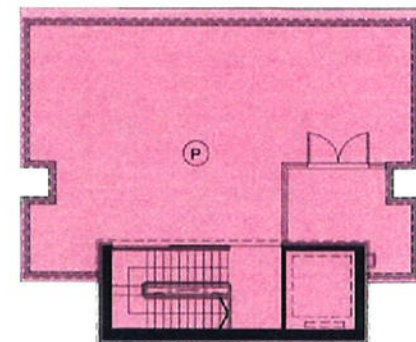
FIRST FLOOR



SECOND FLOOR



TOP ROOF FLOOR



ROOF FLOOR

FIRST FLOOR, SECOND FLOOR, ROOF FLOOR AND TOP ROOF FLOOR PLANS OF HOUSE 3

NOTES:

1. THIS PLAN IS FOR IDENTIFICATION PURPOSES ONLY.
2. THIS PLAN IS SUBJECT TO ANY AMENDMENTS WHICH MAY BE APPROVED BY THE LANDS DEPARTMENT.

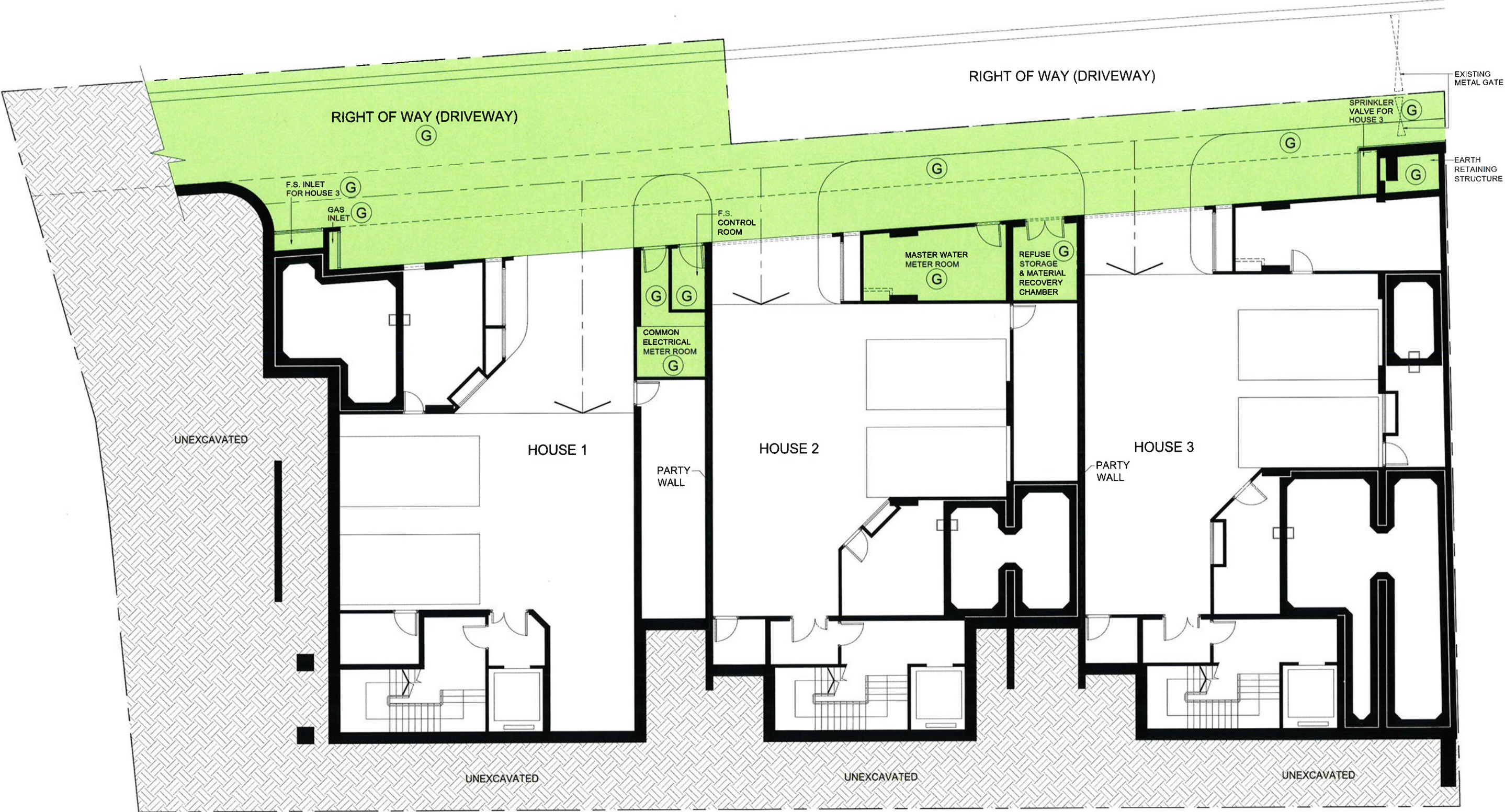
SCALE : 0m 5m 10m



LAI SIU KIN
AUTHORIZED PERSON - ARCHITECT

 LU TANG LAI ARCHITECTS LTD
呂鄧黎建築師有限公司

PROPOSED RESIDENTIAL DEVELOPMENT AT
SECTION C AND THE REMAINING PORTION OF RURAL BUILDING LOT NO. 349



LEGEND:

- COMMON AREAS AND FACILITIES (GREEN)
- SITE BOUNDARY

LOWER GROUND FLOOR PLAN
(PLAN NO. : DMC-01)
(FOR IDENTIFICATION PURPOSES ONLY)
(NOT TO SCALE)

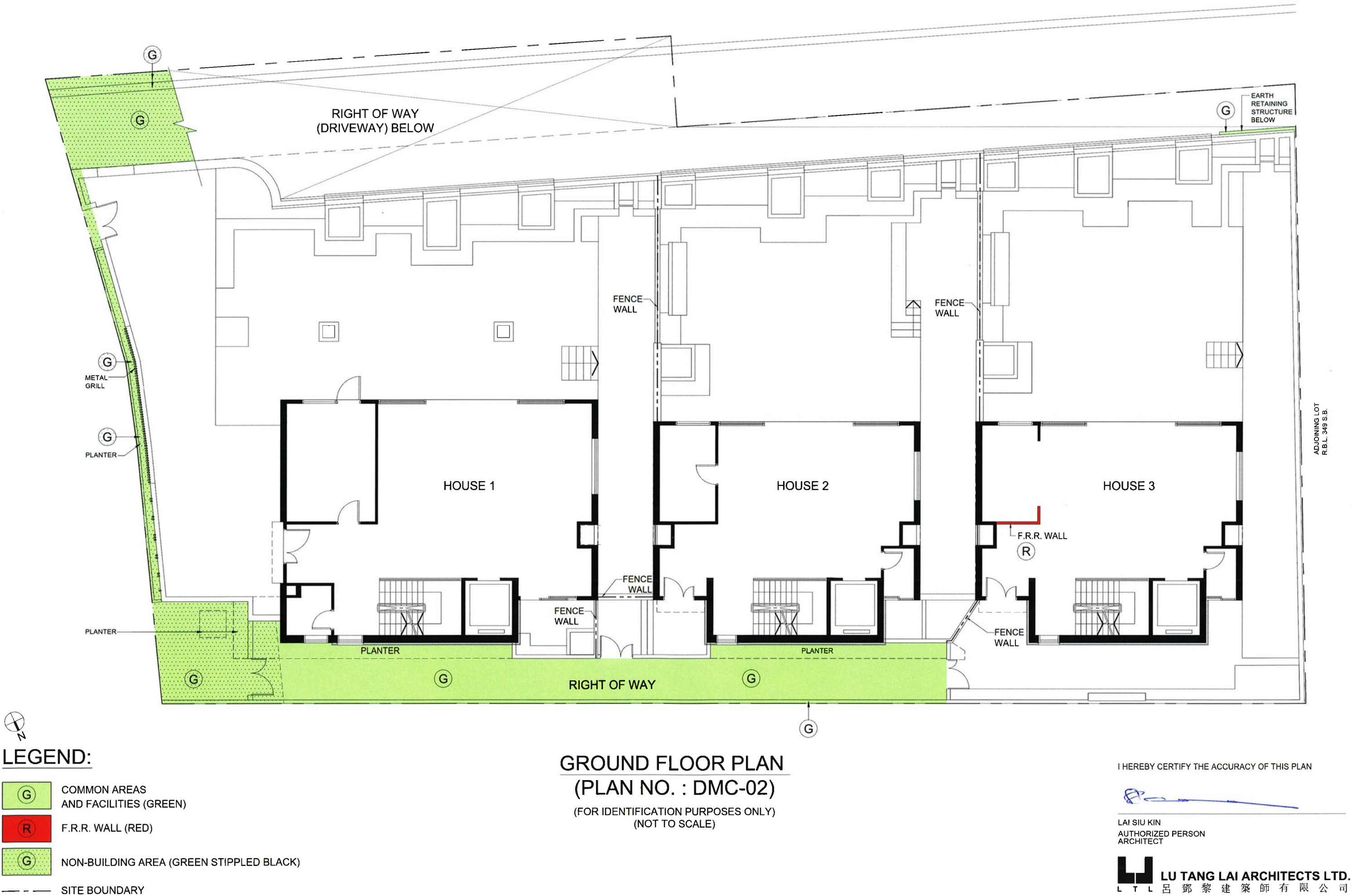
I HEREBY CERTIFY THE ACCURACY OF THIS PLAN



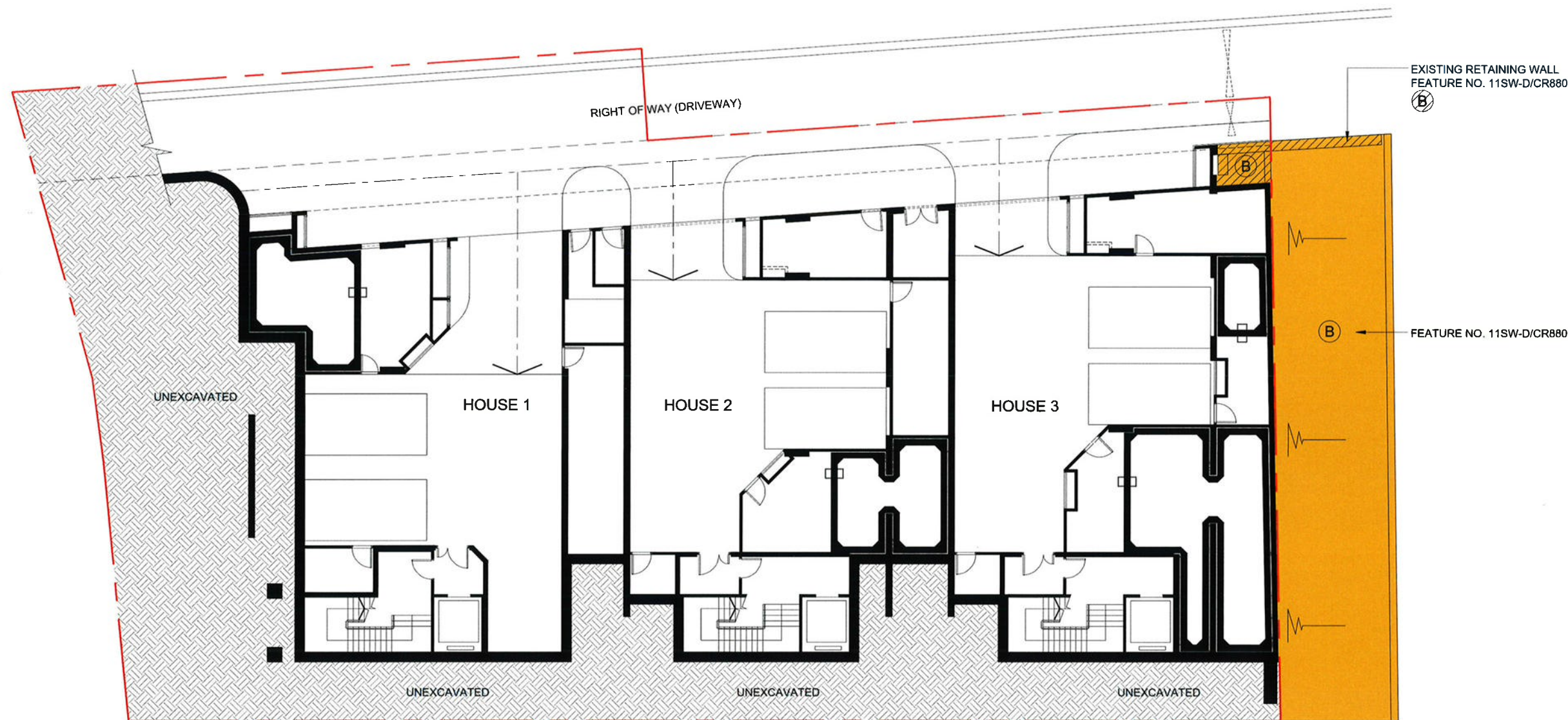
LAI SIU KIN
AUTHORIZED PERSON
ARCHITECT

 LU TANG LAI ARCHITECTS LTD.
L T L 呂鄧黎建築師有限公司




PROPOSED RESIDENTIAL DEVELOPMENT AT
SECTION C AND THE REMAINING PORTION OF RURAL BUILDING LOT NO. 349



PROPOSED RESIDENTIAL DEVELOPMENT AT
SECTION C AND THE REMAINING PORTION OF RURAL BUILDING LOT NO. 349



LEGEND:

-  SLOPE (BROWN)
-  EARTH RETAINING STRUCTURE (BROWN HATCHED BLACK)
-  SITE BOUNDARY

SCALE : 0m 5m 10m

SLOPE AND RETAINING STRUCTURES PLAN
(PLAN NO. : SR-01)

(FOR IDENTIFICATION PURPOSES ONLY)
(SCALE 1:200)

I HEREBY CERTIFY THAT ALL THE EXISTING SLOPES, SLOPE TREATMENT WORKS, EARTH RETAINING STRUCTURES, RETAINING WALLS AND OTHER RELATED STRUCTURES WITHIN OR OUTSIDE THE LOT AND THE DEVELOPMENT AS REQUIRED BY THE GOVERNMENT GRANT AND THE DEED OF MUTUAL COVENANT INCORPORATING A MANAGEMENT AGREEMENT TO BE MAINTAINED BY THE OWNERS HAVE BEEN INCLUDED IN THIS SLOPE AND RETAINING STRUCTURES PLAN



LAI SIU KIN
AUTHORIZED PERSON
ARCHITECT

 LU TANG LAI ARCHITECTS LTD.
L T L 呂鄧黎建築師有限公司