

Dated the 16th day of December 1999.

**GOODTERM LIMITED**


and

**LI SIK LEUNG**

and

**HONG YIP SERVICE COMPANY  
LIMITED**

REGISTERED in the Land Registry  
by Memorial No. 7946791  
on 3 January 2000

  
for Land Registrar

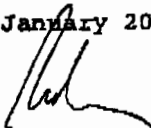
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**DEED OF MUTUAL COVENANT  
AND MANAGEMENT AGREEMENT**

I, the undersigned, do hereby  
certify that this document is a  
true and complete copy of the original.

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Dated this 18th January 2000.

  
**JEFF T.K. TSE**

Solicitor, Hong Kong SAR.  
Messrs. Winston Chu & Co.

**Winston Chu & Company**  
**Solicitors & Notaries**

2006 One Pacific Place 88 Queensway Hong Kong  
Telephone : 28458138  
Facsimile : 28455964

香港太古廣場壹座二〇〇六室  
電話：二八四五八一三八  
圖文傳真：二八四五五九六四

徐嘉慎律師事務所

Ref: WC/JT/969/95 (2222)  
Home/guest/NKIL6217/DMC-New1  
Ngau Chi Wan-Deed of Mutual Covenant

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**THIS DEED OF MUTUAL COVENANT AND MANAGEMENT AGREEMENT**  
made the 16th day of December 1999

**BETWEEN GOODTERM LIMITED (祥來有限公司)** whose registered office is situate at 45th Floor, Sun Hung Kai Centre, 30 Harbour Road, Hong Kong (hereinafter called "the Registered Owner" which expression shall where the context so admits include its successors and assigns) of the first part, **LI SIK LEUNG (李式堯)** of Flat B, 8th Floor, Block 2, Scenic View, No.63 Fung Shing Street, Ngau Chi Wan, Kowloon, Hong Kong (hereinafter called "the First Purchaser" which expression shall where the context so admits include her executors administrators and assigns) of the second part and **HONG YIP SERVICE COMPANY LIMITED** whose registered office is situate at 45th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong (hereinafter called "the Manager" which expression shall where the context so admits include its successors or assigns) of the third part.

**WHEREAS :-**

**Definitions**

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

**"Approved Plans"**

The plans for the Development of the Land and any amendments thereto duly approved by the Building Authority and the Director of Lands and the Director of Buildings or either of them.

**"Block"**

One of the 4 blocks of buildings comprised in the Blocks.

**"Blocks"**

Those 4 blocks of buildings erected or in the course of erection on the Land intended for residential use in accordance with the Approved Plans and known or intended to be known as Blocks 1, 2, 3 and 5.

**"Blocks Common Area"**

The entrance halls, passageways, staircases, landings, corridors, switch rooms, electrical rooms, potable water pump rooms, fan rooms, transformer rooms, meter rooms, fire services booster pump room, filtration plant room, lift lobbies, lift machine rooms, pump rooms, open terraces, foyers, television broadcast equipment rooms, store rooms, the Club House, the external walls of the Blocks, the roof (excluding flat roofs) which has not been assigned to individual Owner, the landscaped garden, the refuse rooms, mail rooms, the Loading and Unloading area, and any other area serving the Blocks and not intended to be exclusively used by any one of the Owners of the Flats, and any area designated by the Manager in accordance with the provisions of this Deed to be Blocks Common Area.

THIS DEED OF MUTUAL COVENANT AND MANAGEMENT AGREEMENT  
made the                      day of                      199

BETWEEN GOODTERM LIMITED (                      ) whose registered office is situate at 45th Floor, Sun Hung Kai Centre, 30 Harbour Road, Hong Kong (hereinafter called "the Registered Owner" which expression shall where the context so admits include its successors and assigns) of the first part,

(hereinafter called "the First Purchaser" which expression shall where the context so admits include his executors administrators and assigns) of the second part and HONG YIP SERVICE COMPANY LIMITED whose registered office is situate at 45th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong (hereinafter called "the Manager" which expression shall where the context so admits include its successors or assigns) of the third part.

WHEREAS :-

- Definitions                      (1)    In this Deed the following expressions shall have the following meanings ascribed to them wherever the context so permits :-
- "Approved Plans"                      The plans for the Development of the Land and any amendments thereto duly approved by the Building Authority and the Director of Lands and the Director of Buildings or either of them.
- "Block"                      One of the 4 blocks of buildings comprised in the Blocks.
- "Blocks"                      Those 4 blocks of buildings erected or in the course of erection on the Land intended for residential use in accordance with the Approved Plans and known or intended to be known as Blocks 1, 2, 3 and 5.
- "Blocks Common Area"                      The entrance halls, passageways, staircases, landings, corridors, switch rooms, electrical rooms, potable water pump rooms, fan rooms, transformer rooms, meter rooms, fire services booster pump room, filtration plant room, lift lobbies, lift machine rooms, pump rooms, open terraces, foyers, television broadcast equipment rooms, store rooms, the Club House, the external walls of the Blocks, the roof (excluding flat roofs) which has not been assigned to individual Owner, the landscaped garden, the refuse rooms, mail rooms, the Loading and Unloading area, and any other area serving the Blocks and not intended to be exclusively

used by any one of the Owners of the Flats, and any area designated by the Manager in accordance with the provisions of this Deed to be Blocks Common Area.

"Blocks Common  
Facilities"

The facilities serving the Blocks and not intended to be exclusively used by any one of the Owners of the Flats including (but not limited to):-

- (a) the sewers, drains, water courses, pipes, gutters, wires, cables, water tanks, flushing water pump rooms, fire services shutters, sprinkler water tanks and other services facilities whether ducted or otherwise which are or at any time may be in, under or over or passing through the Development through which water, sewage, gas, electricity and any other services are supplied to the Blocks or any part or parts thereof;
- (b) all the facilities in switch rooms, electrical rooms, potable water pump rooms, refuse rooms, Club House, pump rooms, fan rooms, transformer rooms, lift machine rooms, fire services booster pump room, meter rooms in the Blocks;
- (c) communal television antennae, FM/radio aerial (if any);
- (d) guard posts and/or caretaker's quarters and offices;
- (e) all the facilities in the filtration plant room; and
- (f) all other facilities and systems designated by the Manager in accordance with the provisions of this Deed to be Blocks Common Facilities.

"Carpark(s)"

Parking space(s) as shown on the car park layout plan approved by the Building Authority in the Car Park.

"Car Park"

The three-storeyed car park in the Development containing parking spaces.

"Car Park Common  
Area"

The external walls of the Car Park, the driveway, ramp, accessory areas, circulation passages, void spaces, entrance and exit to the Car Park, the caretaker's office (if any) in the Car Park and any other area designated by the Manager in accordance with the provisions of this Deed to be Car Park Common Area.

"Car Park Common Facilities"	Water pipes, drains, wires, cables and lighting in the Car Park, fire fighting installation and equipment, and any other facilities installed for the exclusive use and benefit of the Car Park.
"Club House"	The Club House including (but not limited to) the entrance and reception lobby, management room, aerobics areas, the gymnasium, the male changing room, the female changing room, the study room, the children's covered playing area, the play areas, the sun deck and all ancillary equipment and structures erected by the Registered Owner for the common use and enjoyment of the Owners of the Flats or residents or both for the time being of the Development.
"Common Areas"	The Car Park Common Area, the Blocks Common Area and the Estate Common Area.
"Common Facilities"	The Car Park Common Facilities, the Blocks Common Facilities and the Estate Common Facilities.
"the Conditions"	Agreement and Conditions of Sale registered in the Land Registry as Conditions of Sale No.12340 as varied and modified by a Modification Letter registered in the Land Registry by Memorial No.
"this Deed"	This Deed of Mutual Covenant and Management Agreement.
"the Development"	The whole of the residential development including all the Blocks and Car Park known as ( ) constructed or in the course of construction on the Land including all structures, facilities or services whatsoever installed or provided in, under on or over the Land for the use of the Development or any part or parts thereof including without limiting the generality of the foregoing the Common Areas, the Common Facilities, all machinery and equipment, all roads, footpaths, stairways, cables, pipes, drainage and sewage in or upon the Development.
"Estate Common Area"	The main pedestrian entrance, covered terraces, the covered walkways, any slope within the Development and any other area or space or external wall intended for the common use and enjoyment of the Owners or residents or both for the time being of the Development and any other area designated by the Manager in accordance with the provisions of this Deed to be Estate Common Area but shall not include the Car Park Common Area nor the Blocks Common Area.

"Estate Common Facilities"

The facilities and systems for the common use and enjoyment of the Owners or residents or both for the time being of the Development and not being part of the Blocks Common Facilities or Car Park Common Facilities which include (but not limited to) lighting along or in the Estate Common Area, the shuttle lift and emergency generator rooms.

"Flat"

A unit of residential accommodation in the Blocks intended to be used for private residential occupation by one person or one family unit only in accordance with the Approved Plans.

"General Rules" and "Car Park Rules"

The rules and regulations governing the Development and/or the Car Park from time to time in force as provided herein.

"Government"

The Government of The Hong Kong Special Administrative Region.

"Land"

All that piece or parcel of land registered in the Land Registry as New Kowloon Inland Lot No.6217.

"Loading and Unloading Area"

The Loading and Unloading Area provided within the Car Park for the loading and unloading of motor vehicles in accordance with Special Condition No.20 of the Conditions.

"Maintain"

Repair, uphold, support, rebuild, overhaul, pave, purge, scour, cleanse, employ, amend, keep, replace, decorate and paint or such of the foregoing as may be applicable in the circumstances and in the interest of good estate management and "maintenance" shall be construed accordingly.

"Management"

All duties and obligations to be performed and observed by the Manager pursuant to the provisions of this Deed.

"Management Expenses"

The costs charges and expenses for the management and maintenance of the Development provided in this Deed which, except for the purpose of Sub-clause (1) of Clause (C) of Section V hereof, shall include the Manager's Remuneration.

"Management Funds"

All monies recovered or held by the Manager pursuant to this Deed except only the Manager's Remuneration.

"Manager"

Hong Yip Service Company Limited or any other manager for the time being appointed as manager of the Development pursuant to the provisions of this Deed.

"Manager's Remuneration"	The remuneration of the Manager as provided herein.
"Occupation Permit"	A temporary or permanent occupation permit issued by the Building Authority.
"Owners"	The Registered Owner, the First Purchaser and any person who may hereafter become the registered owner and registered as such under the Land Registration Ordinance Chapter 128 of the Laws of Hong Kong or mortgagee or chargee in possession or one who has foreclosed of any Undivided Shares in the Land and the Development including joint-tenants or tenants-in-common and its or his or their executors administrators successors and assigns and references to the Owner or Owners of any part of the Development shall mean the Owner or Owners for the time being whose Undivided Shares entitle him or them to the exclusive right to hold use occupy and enjoy such part of the Development.
"Owners' Committee"	A Committee of all the Owners of the Development established under the provisions of this Deed.
"Slopes and Retaining Walls"	The slopes, retaining walls or other structures within or outside the Land which are required to be maintained by the Owners under the Conditions and in accordance with the "Geoguide 5-Guide to Slope Maintenance" issued by the Geotechnical Engineering Office, as amended from time to time (a copy of which together with a plan of such areas for identification purposes are annexed hereto).
"Undivided Share"	Any one of the Undivided Shares.
"Undivided Shares"	All those 188,569 equal undivided parts or shares of and in the Land and the Development as set out in the Schedule hereto.
"Unit"	A Flat, a Carpark and/or any other part of the Development (as the case may be) to which a certain number of the Undivided Shares have been or may be allocated.
Singular includes plural	In this Deed references to the singular shall include the plural and vice versa and references to the masculine gender shall include the feminine or neuter gender.
The Land	(2) Immediately prior to the assignment (hereinafter recited) to the First Purchaser, the Registered Owner was the registered

owner of the Land held under the Conditions Subject to payment of the rent and to the observance and performance of the terms and conditions therein reserved and contained.

- The Development (3) The Registered Owner has developed or is in the course of developing the Land in accordance with the Approved Plans and has constructed or is in the course of constructing on the Land the Development.
- Division of Shares in the Land and the Development (4) For the purposes of sale the Land and the Development have been notionally divided into 188,569 Undivided Shares which have been allocated in manner set out in the Schedule hereto.
- Assignment to First Purchaser (5) By an Assignment (hereinafter called "the said Assignment") of even date and made between the Registered Owner of the one part and the First Purchaser of the other part the Registered Owner assigned unto the First Purchaser All That the estate right title benefit and interest of the Registered Owner of and in All Those equal undivided 188,569th parts or shares of and in the Land and the Development together with the full and exclusive right and privilege to hold use occupy and enjoy (1) All That Flat on the Floor of Block and (2) All That Carpark No. on Level of the Car Park of the Development.
- Purpose of this Deed (6) The parties hereto have agreed to enter into this Deed for the purposes of making provision for the management, maintenance, insuring and servicing of the Land and the Development, and of defining and regulating the rights, interests and obligations of the Owners in respect of the Land and the Development.
- Approval of Director of Lands (7) The Director of Lands has given his approval to the terms of this Deed.

NOW THIS DEED WITNESSETH as follows :-

#### SECTION I

- The Registered Owner to have exclusive use of the Development except only Flat on Floor of Block and (1) The Registered Owner shall at all times hereafter subject to and with the benefit of the Conditions insofar as they relate thereto have the full and exclusive right and privilege to hold use occupy and enjoy All the Development save and except only (a) the said Flat on the Floor of Block



Carpark No.  
on Level  
and the  
Common Areas

and Carpark No. on Level of the Car Park of the Development assigned to the First Purchaser and (b) the Common Areas and Subject to the easements, rights and privileges granted to the First Purchaser by the said Assignment and this Deed Together with the appurtenances thereto and the entire rents and profits thereof.

First Purchaser to have exclusive use of Flat on the Floor of Block and Carpark No. on Level

(2) The First Purchaser shall at all times hereafter subject to and with the benefit of the Conditions insofar as they relate thereto have the full and exclusive right and privilege to hold use occupy and enjoy All That the said Flat on the Floor of Block and Carpark No. on Level of the Car Park of the Development Together with the appurtenances thereto and the entire rents and profits thereof.

Use of Common Areas

(3) The Common Areas shall be deemed to be common areas for the benefit of the Owners of the Development which areas may, subject to the provisions hereof, be used by each Owner in common with the Registered Owner and all the Owners or residents or both for the time being of the Development or any part thereof.

Easements rights and privileges of Owners

(4) Each Undivided Share in the Land and the Development 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 easements, rights, privileges and obligations contained in this Deed.

Owners bound by covenants etc.

(5) The Owners shall at all times hereafter be bound by and shall observe and perform the covenants, provisions and restrictions contained in this Deed and the benefit and burden thereof shall be annexed to every part of the Land and the Development and the Undivided Share or Shares held therewith. The Conveyancing and Property Ordinance Chapter 219 of the Laws of Hong Kong and any statutory amendments, modifications or re-enactments thereof for the time being in force shall apply to these presents.

Rights of Owners to assign etc.

(6) 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 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, let, license or otherwise dispose of or deal with his share or interest in the

Land and the Development PROVIDED THAT any such transaction shall be expressly subject to the terms of this Deed.

No Right to enjoyment of the Land be dealt with separately from Undivided Shares

- (7) 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, let 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 for terms not exceeding seven years.

Rights and Privileges reserved to the Registered Owner

- (8) (a) There are reserved unto the Registered Owner for so long as it remains the beneficial owner of any Undivided Share the following rights and privileges:-

- (i) The Registered Owner its contractors servants agents or other persons authorized by it shall have the right at all reasonable times to enter into and upon all parts of the Land and the Development with all necessary equipment plant and materials for the purpose of completing at the cost of the Registered Owner the construction of the Development in accordance with the Approved Plans and may carry out works in under on or over the Land and the Development as it sees fit. The Registered Owner in pursuance of any works shall notify the Owners, their servants, agents or licensees in writing as to the areas or parts of the Land and the Development that the Owners may or may not use while such works are being carried out and the Registered Owner shall not incur any liability of any nature whatsoever to the First Purchaser or other Owners by reason of such construction works Provided that :-

- (a) the Registered Owner shall have no right to enter into those parts of the Development already assigned or exclusively owned by other Owners without obtaining those Owners' consent;
- (b) the Registered Owner shall at its own expense make good all damage caused to other Owners as a result of the

- exercise of the rights under this sub-clause;
  - (c) the Registered Owner shall ensure that the least disturbance and inconvenience will be caused;
  - (d) the Owners' rights to hold, use, occupy and enjoy their Units shall not be adversely affected; and
  - (e) access to and from the Units shall not be impeded or restricted.
- (ii) The right to change, amend, vary, add to or alter the Approved Plans existing at the date thereof without the concurrence or approval of any Owner or any of the parties hereto but nothing herein shall absolve the Registered Owner from the requirements of obtaining the prior written approval of the Director of Lands or the Director of Buildings or both. No such change or addition shall give to the Owners any right of action against the Registered Owner Provided that any such addition to, change, amendment, variation or alteration of the Approved Plans aforesaid shall not affect the rights and interest of the Owners in the enjoyment of their Units And Provided that the exercise of the right under this sub-clause shall not interfere with the Owner's right to hold, use, occupy and enjoy the Unit(s) owned by him or impede or restrict the access to and from the Unit(s) or adversely affect an Owner's rights and interest in the Development Provided that any benefit, concession or compensation whether monetary or otherwise acquired shall be accrued to all Owners or the Owners concerned.
- (iii) Subject to the approval of Owners' Committee or Owners Incorporation (if any), the right to install on or affix to any part of the Land and the Development (save and except those specifically assigned) including the roofs thereof such flues, pipes, conduits, aerials, plant, machinery, and other apparatus signs placards posters and other advertising structures whatsoever (illuminated or not) as

the Registered Owner think fit together with the right to remove repair maintain service or replace the same, subject to the Conditions and the approval of other Government Authorities if required by legislation Provided that all income arising from exercising the rights under this clause shall form part of the Management Funds Provided further that nothing shall be installed or affixed pursuant to this clause except for the common use and enjoyment of all the Owners.

- (iv) The right to apply to, negotiate and agree with the Hong Kong Government and/or other persons and to execute licence agreements, wayleave agreements or other necessary documents for the purpose of obtaining or renewing or granting any licences, wayleave, rights of way or other rights or easements over Government land and the Land and other land or either of them as the Registered Owner may consider necessary for the Development without the necessity of making any other Owner a party thereto Provided that the exercise of the right under this sub-clause shall not interfere with the Owner's right to hold, use, occupy and enjoy the Unit(s) owned by him or impede or restrict the access to and from the Unit(s) or adversely affect an Owner's rights and interest in the Development.
- (v) The right to apply to, negotiate and agree with the Hong Kong Government to amend vary or modify the Conditions or any conditions thereof in such manner as the Registered Owner may deem fit and to execute modification letters or other necessary documents without the necessity of making any other Owner a party thereto Provided that the exercise of the right under this sub-clause shall not interfere with the Owner's right to hold, use, occupy and enjoy the Unit(s) owned by him or impede or restrict the access to and from the Unit(s) or adversely affect an Owner's rights and interest in the Development.

(vi) The right and full power at all times hereafter to enter into and upon all parts of the Land (including but not limited to the roofs and flat roofs) with all necessary equipment plant and materials and to construct install erect place complete and maintain thereon or thereupon aerial and/or dish installation apparatus structures and/or other equipment relating to the broadcasting and/or reception of cable and/or satellite television and/or any other telecommunication systems and may for such purpose carry out all such works as it may from time to time see fit. The right of the Registered Owner to enter the Land to carry out such works shall extend equally to all necessary contractors agents workers and other persons authorized by the Registered Owner. The Registered Owner in pursuance of such work may from time to time issue in writing to the Owners instructions as to the areas or parts of the Land that the Owners their servants or agents or licensees may or may not use or have access to or over while such works are being carried out. The Registered Owner shall not incur any liability to the Owners or any person having an interest in the Land in respect of any inconvenience, disturbance, damage or loss that may be caused by or arise from such works Provided that the Registered Owner shall make good forthwith any damage caused and that such works are carried out without negligence Provided that :-

- (a) the Registered Owner shall have no right to enter into those parts of the Development already assigned or exclusively owned by other Owners without obtaining those Owners' consent;
- (b) the Registered Owner shall at its own expense make good all damage caused to other Owners as a result of the exercise of the rights under this sub-clause;
- (c) the Registered Owner shall ensure that the least disturbance and

- inconvenience will be caused;
        - (d) the Owners' rights to hold, use, occupy and enjoy their Units shall not be adversely affected; and
        - (e) access to and from the Units shall not be impeded or restricted.
- (vii) Subject to the approval of Owners' Committee or Owners' Incorporation (if any) and the relevant Government authorities, the full right and power to designate and declare by deed or in writing, for such period or periods as the Registered Owner shall in its absolute discretion deem fit, any area or part or parts of the Land or the Development owned by the Registered Owner to be additional Blocks Common Area or Estate Common Area or Car Park Common Area whereupon, with effect from such designation or declaration and during such period or periods of designation or declaration, such area or part or parts shall form part of the Blocks Common Area or Estate Common Area or Car Park Common Area (as the case may be) and the Owners shall contribute to the maintenance and upkeep of such area or part or parts which form part of the Blocks Common Area or Estate Common Area or Car Park Common Area (as the case may be) aforesaid as if they were part of the Blocks Common Area or Estate Common Area or Car Park Common Area (as the case may be) provided always that the aforesaid designation or declaration should not interfere with the Owners' right to hold use occupy and enjoy their Units.
- (b) The provisions of this Clause 8 shall apply and prevail notwithstanding any other provisions to the contrary contained in this Deed.
- (c) The Registered Owner shall have the right from time to time to confer grant or assign any of its rights in Clause (8) of Section I on or to any other person or permit the exercise of any such rights by any other person.

- (d) The Owners hereby jointly and severally and irrevocably APPOINT the Registered Owner as their attorney and grant unto the Registered Owner the full right power and authority to do all acts deeds matters and things and to execute and sign seal and as their act deliver such deeds and to sign such documents or instruments as may be necessary for the exercise of or incidental to the Registered Owner's rights mentioned in Clause (8) of Section I of this Deed with the full power of delegation and the Owners hereby further jointly and severally undertake to do all acts deeds matters and things and to execute sign seal and deliver such deeds and to sign such documents or instruments as may be necessary to give effect to the abovementioned grant.
- (e) An Owner shall not be entitled to assign the Unit which he owns unless the Assignment includes a covenant in substantially the following terms : "The Purchaser acknowledges the rights conferred on Goodterm Limited ("Goodterm" which expression shall include its successors assigns and attorneys) under Clause (8) of Section I of a Deed of Mutual Covenant and Management Agreement dated the day of 19 and the Purchaser covenants that it shall not do or permit anything to be done which will affect the exercise of the said rights by Goodterm. The Purchaser hereby appoints Goodterm to be its attorney and grants unto Goodterm the full right power and authority to do all acts matters and things and to execute and sign seal and as the act of the Purchaser deliver such deed and to sign such documents or instruments as may be necessary for the exercise of or incidental to the exercise of the rights conferred on Goodterm as aforesaid".

## SECTION II

### EASEMENTS AND OTHER RIGHTS ATTACHED TO UNDIVIDED SHARES IN THE LAND AND THE DEVELOPMENT

Owner to have benefit  
of easements

- (1) The Owners of Undivided Shares and Units in the Development shall subject to the General Rules and Car Park Rules and payment by such Owners of the Management

Expenses as herein provided have the following easements rights and privileges :-

- |   |  |
|---|--|
| Right to use Common Areas and Common Facilities | (a) Full right and liberty for the Owner of a Unit his servants, agents and licensees (in common with all persons having the like right) to go, pass and repass over and along the Common Areas for all purposes connected with the proper use and enjoyment of his Unit and to use the Common Areas and Common Facilities in accordance with the provisions of this Deed. |
| Right to support                                | (b) The Owner of a Flat shall have the right to subjacent and lateral support from other parts of the Block in which the Flat is situate and all Owners of Units shall have the right to subjacent and lateral support from all other parts of the Development.  |
| Passage of water etc.                           | (c) The free and uninterrupted passage and running of water, sewage, gas, electricity and other services from and to the Unit owned by the Owner through the sewers, drains, watercourses, cables, pipes and wires which now are or may at any time hereafter be in under or passing through the Land and the Development for the proper use and enjoyment of the Unit.    |
| Right to enjoy recreational facilities          | (d) Full right and liberty for the Owner of a Flat and his bona fide visitors to use and enjoy the Club House and other sports and recreational facilities, if any, (in common with all other persons having the like right) of the Development subject to the General Rules provided herein.  |

### SECTION III

#### EASEMENTS AND OTHER RIGHTS TO WHICH UNDIVIDED SHARES IN THE LAND AND THE DEVELOPMENT ARE SUBJECT

Owner to hold subject to easement etc.

Easements rights and privileges subject to which each Undivided Share is held :-

Manager's right to enter Units to inspect and maintain

- (1) The Manager shall have full right and privilege at all reasonable times with reasonable notice served to the Owner (except in emergency) with or without agents, surveyors,



workmen and others to enter into and upon each Unit for the Purposes of inspecting, examining and maintaining the Development or any part or parts thereof or any Common Facilities therein or any other apparatus and equipment used or installed for the benefit of the Development or any part thereof provided the Manager shall be liable for remedying wilful or negligent acts.

- Reciprocal easements rights (2) Easements rights and privileges over along and through each Unit equivalent to those set forth in paragraphs (a) to (d) inclusive of Clause (1) of SECTION II. Subject always to the rights of the Registered Owner herein the Manager shall have full right and authority to control and manage the Common Areas and the Common Facilities of the Development in accordance with the provisions of this Deed.

#### SECTION IV

#### COVENANTS AND RESTRICTIONS TO BE OBSERVED AND PERFORMED BY THE OWNERS

- To Notify Manager of change of ownership (1) Every Owner shall notify the Manager of any change of his ownership within one month from the date of the Assignment in respect thereof. The previous Owner shall remain liable for all Management Expenses and Manager's Remuneration until such time as the Manager receives such notice and all payment made up to date of the Assignment.
- To discharge taxes etc. (2) Each Owner shall promptly pay and discharge all taxes, rates, assessments and outgoings of every kind assessed or payable in respect of that part of the Development owned by him and shall indemnify the other Owners from and against all liability therefor.
- To pay management fees and expenses (3) Each Owner (except the Owner of the Common Areas) shall pay to the Manager on the due date the Management Expenses as herein provided.
- No structural alteration which affects other parts of Development (4) No Owner shall make any structural or other alterations to any part of the Development which may affect damage or interfere with the use and enjoyment of the other Owners of any other part thereof.
- No contravention of the Conditions or acts affecting insurance (5) No Owner shall do or permit or suffer to be done any act or thing in contravention of the Conditions or whereby any

insurance on the Development may become void or voidable or whereby the premium for any such insurance may be increased and in the event of any breach of this Clause by any Owner, such Owner shall in addition to any other liability pay the amount of any increase in premium caused by or on account of such breach.

To indemnify other Owners

(6) Each Owner shall indemnify all other Owners and occupiers against any actions, proceedings, claims and demands whatsoever in respect of any loss or damage to any person or property caused by or as the result of the act or negligence of such Owner or any occupier of any part of the Development owned by him or any person using such part of the Development with his consent expressed or implied arising out of or owing to the defective condition thereof or the overflow of water therefrom.

To be responsible for acts or omissions of occupants

(7) Each Owner shall indemnify the other Owners for the acts and omissions of all persons occupying with his consent expressed or implied any part or parts of the Development owned by him and shall pay all costs, charges and expenses incurred in repairing or making good any loss or damage caused by the act, neglect or default of such person. In the case of loss or damage which the Manager is responsible to make good or repair pursuant to the Manager's duties, such costs, charges and expenses shall be recoverable by the Manager as herein provided and in the case of loss or damage suffered by other Owners or occupiers of any part of the Development for which the Manager is not responsible to repair or make good, such costs, charges and expenses together with all other damages recoverable by law shall be recoverable by the person or persons sustaining the loss or damage.

No interference with construction or maintenance of the Development

(8) No Owner shall do or permit or suffer to be done and each Owner will take all possible steps to prevent his tenants, occupiers or licensees from doing any act, deed, matter or thing which in any way interfere 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 maintenance of the Development as herein provided.

To keep in good repair

(9) Each Owner shall maintain in good repair and condition to the satisfaction of the Manager that part of the Development in respect of which he is entitled to exclusive possession.

- Not to use for illegal or immoral purposes or cause nuisance (10) 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.
- Use in accordance with the Conditions and Buildings Regulations and other regulations (11) No Owner shall use or permit or suffer any part of the Development owned by him to be used except in accordance with the terms and conditions of the Conditions and any applicable Building or other Regulations or any Government permit, consent or requirement applicable thereto.
- Not to obstruct Common Areas (12) No part of the Common Areas shall be obstructed or incumbered nor shall any refuse or other matter or things be placed or left thereon nor shall any part of the Common Areas be used for any business or private purpose and no Owner shall do or suffer or permit to be done anything in the Common Areas which may be or become a nuisance or cause annoyance to any other Owners or occupiers of the Development.
- Use of refuse disposal areas (13) The refuse disposal areas shall be used only in the manner prescribed by and subject to the General Rules.
- No right to interfere with Common Facilities (14) No Owner shall have the right to alter, repair, connect to or in any other way interfere with or affect the working of the Common Facilities without the previous written consent of the Manager and any Government authorities (if required).
- Use of aerials and television antenna (15) No Owner (unless such right has been reserved by such Owner under this Deed) shall erect any private aerial and/or television antenna outside any part of his Flat but may connect to the communal aerial and/or television antenna installed in the Development with the permission of the Manager and shall use the same in accordance with any General Rules relating to them.
- Signs and structures (16) Subject to Clause (8)(a)(iii) of Section I above, no signs, signboards, notices, advertisements, flags, banners, poles, cages or other projections, or structures whatsoever extending outside the exterior of any Block or the Development or both or which may be visible from the outside of any Block or the Development or both shall be erected, installed or otherwise without the prior consent in writing of the Manager and any Government authorities if required.

- Not to alter external appearance of Block or Development (17) No Owner shall do or permit to be done any act or thing which may or will alter the external appearance of any Block or the Development or both without the prior consent in writing of the Manager and any Government authorities if required.
- Not to discard refuse (18) 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 facilities (if any) provided for the disposal thereof.
- To observe Conditions, this Deed, General Rules and Car Park Rules (19) All Owners and occupiers shall at all times observe and perform the Conditions all the covenants, conditions and provisions of this Deed, the General Rules and the Car Park Rules.
- Not to cause damage by installation and removal of fixtures (20) Each Owner may at his own expense install in the part of the Development owned by him such additions, improvements, fixtures, fittings and decoration and remove the same Provided however that no such installation or removal shall cause any structural damage or interfere with the enjoyment of any other part of the Development and Provided further that all permits or consents from Government authorities as required in respect of such additions, improvements, or other work have been obtained. In the event that any Owner shall install or erect any addition or improvements without having obtained all necessary permits and consents the Manager shall be entitled to remove the same at the costs of such Owner and the Owner shall indemnify the Manager and all other Owners in respect of any costs, damages, claims or expenses arising out of or in connection with such work.
- Hanging of Laundry (21) No clothing or laundry shall be hung outside any Block or any part of the Development other than in the spaces specifically provided for such purpose.
- Not to interfere with flushing or drainage systems (22) No Owner shall do or suffer or permit to be done anything whereby the flushing or drainage system of any Block or the Development may be clogged or the efficient working thereof may be impaired.
- User (23) No Owner shall use or permit or suffer his Unit to be used for any illegal or immoral purpose and no Owner shall use or permit or suffer any part of the Development owned by him to be used for any purpose other than that permitted by the Conditions and the Building Authority and in accordance

with any applicable Building or other Regulations or any Government or other permit consent or requirement from time to time applicable thereto and in particular no Owner shall use or permit or suffer any part of the Development to be used as a mahjong school, funeral parlour, coffin shop, temple, Buddhist hall or for the performance of the ceremony known as "Ta Chai ( )" or any similar ceremony or as a boarding house, dance hall, music hall, guest house, hotel apartment, ballroom, pawn shop or for any offensive trade or business and not to do or cause or permit or suffer to be done any act or thing in his Unit which may be in contravention of the terms and conditions in the Conditions or become a nuisance or annoyance to or cause danger to the other Owners or occupiers for the time being of the Development.

- Recreational Facilities (24) The Club House and other sports and recreational facilities, if any, shall only be used for recreational purposes by the residents of the Blocks and their bona fide visitors and by no other person or persons whatsoever.
- No use of Roofs (25) No Owner other than the Owner of the roof (including flat roof) or part thereof shall have the right to use the roof (including flat roof) or part thereof (save and except in case of fire and emergency). No Owner (unless such right has been reserved by such Owner under this Deed) shall erect or place or cause or permit to be erected or placed any advertising sign flags or banners on any of the roofs (including flat roofs) or any part thereof. No Owner shall erect any illegal structure on the roofs (including flat roofs) or any part thereof.
- No grilles or shutters (26) No Owner shall permit or suffer to be erected affixed installed or attached in or on at the entrance or entrances of any Unit any metal grille or shutter or gate which shall in any way contravene the regulations of the Fire Services Department or other authority and/or which may in any way impede the free and uninterrupted passage over through and along any of the Common Areas.
- No advertising or signs (27) Subject to Clause (8)(a)(iii) of Section I above, no Owner shall erect, affix, install, attach or display or permit or suffer the same from any Unit any advertising or other sign without the previous written approval of the Manager.
- Not to store dangerous goods (28) No Owner shall store or permit to be stored in any Unit any hazardous, dangerous or combustible goods or materials

except such as may be reasonably required for the purpose of domestic cooking and heating.

- Repair of services and facilities (29) Each Owner shall in such manner so as to avoid any loss, damage, nuisance or annoyance to the Owners or occupiers of the other Units at his sole expense repair maintain and keep in good repair and condition the Unit of which he is the owner its equipment apparatus services and facilities and shall when necessary replace any part or parts thereof which require replacement.
- To remove dogs and animals (30) No Owner shall keep or suffered to be kept any dog, live poultry, birds or other animals in any part of the Development if the same has been the cause of reasonable complaint by at least two Owners or occupiers in any part of the Development.
- Debris Removal Fee (31) Notwithstanding any other sums payable by each Owner under the provisions of this Deed, each Owner of a Flat before he is given possession of his Flat shall pay to the Manager in respect of each of his Flat a non-refundable sum equivalent to one month's contribution to the Management Expenses and the Manager's Remuneration payable by him under this Deed as set out in Clause (4) in Subsection D of Section V hereof which shall be applied by the Manager towards the costs of removing from the Development any debris or rubbish which may accumulate as a result of the initial fitting-out of the Flat Provided that any surplus or deficit which may arise shall be applied towards or made up from (as the case may be) the Management Funds in such manner as the Manager may from time to time decide.
- User of Car Parks (32) The Carparks in the Car Park shall only be used for the purpose of parking private motor cars registered under the Road Traffic Ordinance belonging to the residents of the Blocks and their bona fide visitors and invitees. No goods of any description (including in particular unregistered motor vehicles) may be stored therein.
- No unlawful parking (33) No Owner shall park a motor vehicle in any part of the Development other than in his own Carpark in the Car Park or such part of the Development (if any) designated by the Manager for such purpose and each Owner shall take all possible steps to prevent the unlawful parking of motor vehicles within the Development by other Owners or any other person.

- Roof not to be disposed separately from Flat (34) No Owner (unless the roof (including flat roof) has been assigned to him) shall assign, mortgage, charge, underlet, license or part with the possession of or otherwise dispose of any portion of the roofs (including flat roofs) of the Blocks and/or the Undivided Shares allocated thereto or any interest therein or enter into any agreement so to do without also and at the same time assigning, mortgaging, charging, underletting, licensing or parting with possession of (as the case may be) the Flat immediately beneath such portion of roof (including flat roof) and the Undivided Shares allocated thereto.
- Address of Owners (35) Each Owner (who is not residing within the Development) shall notify the Manager of his address in Hong Kong (and/or the name and address in Hong Kong of the person authorised by him) for accepting service of process and/or notice(s) under this Deed.
- Maintenance of Slopes and Retaining Walls (36) The Owners shall at their own expenses maintain and carry out all works in respect of any of the Slopes and Retaining Walls or other structures within or outside the Land as required by the Conditions and in accordance with the Geoguide 5-Guide to Slope Maintenance issued by the Geotechnical Engineering Office (as amended from time to time).
- Not to partition (37) No Owner shall partition or make any application for the partitioning of the Land or for the subdivision thereof into two or more sections or subsections.

## SECTION V

### MANAGEMENT OF THE DEVELOPMENT

#### (A) General

- Term of Management 1(a) The management of the Development shall be undertaken by the Manager for the term of two years from the date of issue of the Occupation Permit in respect of the Development (during the period of which the appointment shall not be terminated) and thereafter the Manager shall continue to manage the Development until its appointment is terminated either by the Owners' Committee, upon a resolution passed by the Owners who in the aggregate have vested in them not less than 50% of the total number of Undivided Shares of

and in the Land and the Development (excluding those allocated to the Common Areas), giving three months prior written notice of termination to the Manager or by the Manager giving three months prior written notice of resignation to the Owners' Committee (or where there is no Owners' Committee, by serving such notice on each of the Owners and by displaying such a notice in a prominent place in the Development) Provided Always that no such notice shall be given by either party until the expiry of the initial period of two years.

- (b) (i) Subject to the foregoing Sub-Clause (a) and subject to Sub-Clauses (b)(ii) and (iv), at a general meeting convened for the purpose, an Owners' Incorporation (as hereinafter defined) may, by a resolution of the Owners of not less than 50% of the Undivided Shares, terminate by notice the Manager's appointment without compensation.
- (ii) A resolution under Sub-Clause (b)(i) shall have effect only if :-
  - (A) the notice of termination of appointment is in writing;
  - (B) the length of notice specified therein is for a period of not less than 3 months;
  - (C) the notice is accompanied by a copy of the resolution terminating the Manager's appointment; and
  - (D) the notice and the copy of the resolution is served upon the Manager not more than 14 days after the date of the meeting.
- (iii) Service of the notice and the copy of the resolution required to be served under Sub-Clause (b)(ii)(D) may be effected :-
  - (A) personally upon the Manager; or
  - (B) by post addressed to the Manager at his last known address; or
  - (C) by leaving the notice at the address of the registered office of the Owners' Incorporation.
- (iv) The Manager's appointment may not be terminated under this Sub-Clause (b):-
  - (A) in the case of an Owners' Incorporation (as hereinafter defined) in respect of which a certificate of registration was issued under



- Section 8 of the Building Management Ordinance prior to the commencement of Section 41 of the Building Management Ordinance, by a notice that expires before the end of a period of 9 months from that commencement;
- (B) in any other case, by a notice that expires before the end of a period of 1 year from the commencement of Section 41 of the Building Management Ordinance.
  - (C) if, within the previous 3 years, the appointment of a previous Manager was terminated under this Sub-Clause (b); or
  - (D) if the Manager was appointed by the Owners' Incorporation under Sub-Clause (b)(v)(B).
- (v) If a notice to terminate a Manager's appointment is given under this Sub-Clause (b) :-
- (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 Sub-Clause (b)(v)(A) by the time the notice expires, the Owners' Incorporation (as hereinafter defined) may appoint another manager and, if it does so, the Owners' Incorporation (as hereinafter defined) shall have exclusive power to appoint any subsequent manager.
- (vi) 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' Incorporation (as hereinafter defined) has appointed a manager under Sub-Clause (b)(v)(B), the Owners' Incorporation (as hereinafter defined) shall be deemed to have given to that person an instrument of indemnity under which the Owners' Incorporation (as hereinafter defined) shall be liable to indemnify that person in respect of any act or omission by the Manager appointed under that Sub-Clause that may otherwise render that person liable for a breach of that undertaking or agreement.

(vii) this Sub-Clause (b) is subject to any notice relating to the Development that may be published by the Authority under Section 34E(4) of the Building Management Ordinance but does not apply to any single manager referred to in that Section.

Appointment of  
Manager by Owners

(2) Each Owner hereby appoints the Manager as his agent to enforce the provisions of this Deed in respect of any matters concerning the Common Areas and the Common Facilities and to execute and sign all deeds and documents for and on behalf of all the Owners as shall be required or may be deemed proper for or in relation to all or any of the purposes of this Deed.

Manager to observe  
conditions

(3) The Manager shall be bound by and shall observe and perform all of the conditions, duties and obligations herein provided and shall have all of the rights and privileges herein granted to the Manager.

Commencement of  
Manager's obligations

(4) The obligations of the Manager to provide management services in respect of any part of the Development shall commence from the date when an Occupation Permit has been issued in respect of such part.

(B) Powers and Duties of Manager

General duties

(1) The Manager shall be responsible for and shall have full and unrestricted authority to do all such acts and things as may be necessary or requisite for the proper management of the Development and the Slopes and Retaining Walls and in particular the following :-

Inspection

(a) to inspect and examine at reasonable intervals the Development including the Common Areas and Common Facilities and at reasonable times with reasonable prior notices given the Owners of the Units.

Maintenance

(b) to put in hand all works necessary to maintain the Development including the Common Areas and Common Facilities and the foundation to ensure that the Development is maintained in a good, clean and safe condition.

- Owners' and Occupiers' obligations to repair (c) to ensure that all Owners or occupiers of the Units maintain their respective Units in a satisfactory manner and in the event of default by any such Owners or occupiers, to put in hand any necessary maintenance in cases of emergency and to recover the cost therefor from the defaulting Owner or occupier.
- To maintain exterior (d) to maintain as appropriate the exterior and the landscaping of the Development and the Common Areas at reasonable intervals.
- To replace glass metal or grille or shutter of gate (e) (i) to replace any broken glass in the Common Areas.  
(ii) to remove and/or replace metal grille or shutter or gate erected affixed installed or attached in or on or at the entrance or entrances of any Unit which shall in any way contravene the regulations of the Fire Services Department or other authorities and/or which may in any way impede the free and uninterrupted passage over through and along any of the Common Areas.
- To provide lighting (f) to keep all the Common Areas well lighted.
- To keep good ventilation (g) to keep in good repair the ventilation of all enclosed Common Areas.
- To clean (h) to keep the Development and all parts thereof in a clean sanitary and tidy condition.
- To remove refuse (i) to remove all refuse from the Development and arrange for its disposal at regular intervals and to maintain refuse collection facilities to the satisfaction of the Director of Urban Services.
- To prevent obstruction (j) to prevent the obstruction of the Common Areas and to remove any obstruction.
- To clear sewers (k) to keep all the common sewers, drains, watercourses and pipes clear.
- To keep Common Facilities in good condition (l) to keep all Common Facilities in good condition and working order.

- To keep plant and machinery and effluent discharge system in working order
- (m) to keep all plant, machinery and equipment on or serving the Development including the effluent discharge system in good condition and working order and in accordance with any relevant laws and regulations.
- To carry out maintenance works required by the Conditions
- (n) if and for so long as may be required by the Conditions, to carry out such maintenance and/or repairing works referred to in the Conditions.
- To maintain the Slopes and Retaining Walls
- (o) to engage suitable qualified personnel to inspect keep and maintain in good substantial repair and condition any of the Slopes and Retaining Walls in compliance with the Conditions and in particular in accordance with all guidelines issued from time to time by the appropriate Government department regarding the maintenance of slopes, retaining walls and related structures (for the purpose of this sub-clause, the reference to "the Manager" shall include any Management Committee or Owners' Incorporation (as hereinafter defined)).
- To prevent obstruction or damage to Government property
- (p) to prevent so far as is possible any refuse or other matter being deposited, washed, eroded or falling from the Development onto any public roads or Government property and to remove any such matter therefrom.
- To remove unauthorized structure
- (q) to remove anything erected or installed in contravention of the terms of the Conditions, this Deed and the Approved Plans and to demand and recover from the person responsible for the cost of removal and making good any damage.
- To provide fire fighting facilities
- (r) to provide and maintain any fire and safety installations as the Manager may deem necessary.
- To provide security measures
- (s) to provide a security force, watchmen and caretakers and to provide and maintain security installations on and within the Development including administration and other staff to provide efficient management to the Development.
- To manage maintain and control traffic
- (t) to manage, control and maintain within the Development parking and all forms of traffic management and provide all parking spaces as required by the Conditions.

To install aerials

(u) to install, maintain and operate wireless or television aerials to serve the Development and to enter into contracts with third parties for the installation, maintenance and operation of any system of communal aerial broadcast distribution or satellite master antenna television for the Development.

To maintain and improve services

(v) Subject to the approval of the Owners' Committee or the Owners' Incorporation (if any), to do all things which the Manager shall in its discretion deem necessary or desirable for the purposes of maintaining and improving the Common Facilities and services in or on the Development or for the better enjoyment or use of the Development by its Owners occupiers and their licensees.

To appoint Solicitors

(w) to appoint solicitors with authority to accept service on behalf of all the Owners of all legal proceedings relating to the Development or any part 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 7 days of being requested so to do by the Government or other authorized officer, to appoint a solicitor who shall undertake to accept service on behalf of all such Owners for the purpose of Order 10 Rule 1 of the Rules of the High Court (or any provision amending or in substitution for the same).

To prevent authorized use of the Common Areas

(x) to prevent any person from occupying or using otherwise than in accordance with the written permission of the Manager or the provisions of this Deed any of the Common Areas.

To comply with statutory requirements

(y) to take all steps necessary or expedient for complying with the Conditions and any Government requirements concerning the Development.

To prevent breach of Conditions

(z) to prevent and to take action to remedy any breach by the Owners or other person of any provisions of the Conditions.

To prevent alteration of the Development etc.

(aa) to prevent any person detrimentally altering damaging or injuring any part of the Development or the Common Facilities.

- To collect monies and pay outgoings (bb) to demand collect and receive all amounts payable by the Owners under the provisions of this Deed and to pay and discharge out of the monies so collected all outgoings relating to the management of the Development and the Slopes and Retaining Walls or incurred by the Manager hereunder.
- To insure (cc) to insure and keep insured the Common Areas and Common Facilities or any part of the Development as the Manager may think fit against loss or damage by fire and such other risks to the full new reinstatement value or such amount as the Manager thinks fit and to effect public liability insurance in such amounts as the Manager may think fit, such insurance to be in the name of the Manager for and on behalf of the Owners and pay all premiums required to keep such insurance policies in force.
- To represent Owners (dd) to represent the Owners in all dealings with Government or any utility or other authorities or any other person in relation to the management of the Development.
- To commence legal proceedings and to enforce provisions of this Deed (ee) to commence and defend legal and other proceedings relating to the Development and 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 General Rules and Car Park Rules made hereunder.
- To post name of Owner or Occupier in default (ff) to post the number of the Unit of any Owner or occupier in default or in breach of the terms and conditions of this Deed together with particulars on the notice boards within the Development.
- To recruit staff (gg) to recruit and employ such staff as may from time to time be necessary to enable the Manager to comply with its duties hereunder on such terms as the Manager shall in its absolute discretion decide including the provision of provident or retirement fund and to provide accommodation, uniforms, working clothes, tools, appliances, cleaning and other materials and all equipment necessary therefor.
- To do all other matters incidental (hh) to do all such other things as are reasonably incidental to the management of the Development in

accordance with the Conditions.

To manage and control parking

- (ii) to manage and control within the Development the parking of all cars and vehicles and to remove any car or other vehicles parked in any area not reserved for parking or any car or vehicle parked in any parking space without the consent of the Owner or licensee of such Carpark or any car or vehicle parked in the guest Carparks (if any) without the consent of the Manager 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 Carparks and the Manager shall have power to prescribe charges for the use of guest Carparks Provided that any charges for the use of guest Carparks shall be credited to the Management Funds.

To operate shuttle bus services

- (jj) subject to the approval of the Owner's Committee or the Owners' Incorporation (if any) and the relevant Government authorities, to operate shuttle bus services if deemed necessary for the use and benefit of the Owners and residents for the time being of the Development whether on its own or together with the manager and/or owners of other neighbouring premises and during such times and at such intervals and to such destinations as the Manager may think appropriate and to charge the users of the shuttle bus services such fares as the Manager may think reasonable (Provided that the fares so charged (if any) shall be credited to the Management Funds) and to terminate and/or suspend such shuttle bus services at any time or times as the Manager may think fit.

To keep plans showing the Common Areas

- (kk) to obtain from the Registered Owner and keep in the Manager's office the plans showing Common Areas and to allow the Owners to inspect the same free of charge upon reasonable notice being given.

To define Common Areas and Common Facilities

- (ll) subject to the approval of the Owners' Committee or the Owners' Incorporation (if any) and the relevant Government authorities, to designate the areas and facilities intended for the common use and enjoyment of the Owners or residents or both for the time being of the Development not already defined under the provisions of this Deed into the appropriate categories of Common Areas and Common Facilities

Provided that the Owners' right to enjoy their units should not be affected.

To engage professionals, contractors, etc.

(mm) to enter into contracts and to engage, employ, remunerate and dismiss solicitors, architects, accountants and other professional advisers and consultants, contractors, workmen, servants, agents, watchmen, caretakers and other building staff and attendants and to do all such things as are reasonably incidental to the management of the Development, Provided that where any major contract involves sums in excess of

(a) the sum of HK\$100,000.00 or such other sum in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette; or

(b) a sum which is equivalent to 20% of the annual budget or such other percentage in substitution therefor as may be approved by the Owners by a resolution passed at a general meeting,

whichever of (a) or (b) shall be the lesser, such major contract shall be awarded in accordance with the provisions in Clause (15) of Part (D) of this Section V.

To maintain landfill gas and leachate risk mitigation measures

(nn) to appoint and engage suitable qualified personnel to investigate and advise on the landfill gas and leachate risk mitigation measures from time to time and to make arrangement and engage suitable qualified personnel to maintain landfill gas and leachate risk mitigation measures to the satisfaction of the Director of Environmental Protection in accordance with Special Condition No.(35) of the Conditions.

To set rules and guidelines relating to landfill gas risk

(oo) to set and publish from time to time guidelines and rules relating to the actions and measures to be taken by the Owners and the Manager in the event of high concentration of landfill gas being detected.

To keep access for the Fire Services appliances clear

(pp) to keep the means of access for the passage of Fire Services appliances and Fire Services personnel free from obstruction in accordance with Special Condition No.(40) of the Conditions.



To maintain fire fighting appliances

(qq) to maintain the fire hydrants, fire fighting appliances, water pumping connections and such other fire service installations and equipments in good condition and to the satisfaction of the Director of Fire Services in accordance with Special Condition No.(41) of the Conditions.

To maintain and operate recreational facilities

(rr) to maintain the recreational facilities within the Development in good and substantial repair and condition and operate the recreational facilities to the satisfaction of the Director of Lands in compliance with Special Condition No.(12) of the Conditions.

To remove dogs and animals

(ss) to remove any dog, live poultry or other animals in any part of the Development if the same shall be kept in breach of any provision of this Deed.

To inspect and give notice for want of repair and maintenance

(tt) Upon default of the Owner in repairing and/or maintaining and/or replacing the plumbing and drainage facilities and/or any other services and facilities or any part or parts of his unit the repair and/or maintenance and/or replacement of which is such Owner's responsibility under this Deed, to enter at all reasonable times on written notice (except in case of emergency) into all parts of the Development for the purpose of inspection and to give notice requesting such Owner to replace or repair at the expenses of the Owner concerned any part of parts of the plumbing and drainage facilities and any other part of parts of the Unit for which want of repair and maintenance shall be discovered.

To grant franchises, leases, tenancy agreements and licences

(uu) Subject to the rights of the Registered Owner under Clause (8) of Section I and also subject to the approval of the Owners' Committee or the Owners' Incorporation (if any), to grant franchises, leases, tenancy agreements and licences to other person or persons to use such of the Common Areas and Facilities and on such terms and conditions and for such consideration as the Manager shall in its absolute discretion think fit PROVIDED THAT all income arising therefrom shall form part of the Management Funds and be dealt with in accordance with the provisions of this Deed.

General Rules and Car Park Rules

(2) The Manager shall have power from time to time to make, revoke and amend (a) the General Rules regulating the use,

operation and maintenance of the Development and any structures, services or amenities thereof, the Common Areas and Common Facilities and the conduct of persons occupying, using or visiting the same and (b) Car Park Rules regulating the use operation and maintenance of the Carparks, the Car Park Common Area and the Car Park Common Facilities and the conduct of persons using the same provided that such General Rules and Car Park Rules, which must not be inconsistent with this Deed, may be amended or revoked by the Owners' Committee once in being and such General Rules shall be binding on all Owners of the Units to which such General Rules apply, their tenants, licensees, servants or agents and such Car Park Rules shall be binding on all Owners of Carparks to which such Car Park Rules apply, their tenants, licensees, servants or agents. Copies of the General Rules and Car Park Rules from time to time in force shall be kept with the Manager's Office and a copy thereof shall be supplied to each Owner on request free of charge.

Acts of Manager binding

(3) All acts and decisions of the Manager arrived at in accordance with the provisions of this Deed shall be binding in all respects on all the Owners.

Extent of Manager's liability

(4) Neither the Manager nor any servant agent or other person employed by the Manager shall 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 of the provisions of this Deed not being an act or omission involving criminal liability or dishonesty or wilful negligence and the Owners shall fully and effectually indemnify the Manager and all its servants agents or employees from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with the proper management of the Development or any act, deed, matter or thing done or omitted as aforesaid and all costs and expenses in connection therewith and not involving criminal liability, dishonesty or wilful negligence on the part of the Manager or its servant agent or employee.

Right of Manager to enter Unit for repairs

(5) The Manager shall have the right with or without workmen :-

(a) upon reasonable notice (except in case of emergency) to enter upon any part of the Land or any of the

Units to such extent as may be necessary for the purpose of replacing repairing and maintaining any of the water mains and pipes serving any part of the Land whether or not the same belong exclusively to any Unit and to charge the relevant Owner(s) the cost of repairing and/or replacement; and

Manager to provide furniture and equipment for Common Areas and Common Facilities

(b) to provide within the Common Areas and Common Facilities such fixtures, fittings and furniture and other equipment as it may consider appropriate and the Manager shall have the same power to repair, replace and maintain the same and the costs, charges and expenses thereof shall form part of the costs of the management as a whole.

Owners to bear expenses

(6) The Manager shall further have the right and power to require each Owner to pay a proportionate part of the expenditure for the provision, operation, management, upkeep and maintenance of the Slopes and Retaining Walls as the Manager shall consider fair and reasonable.

Owners remain liable for requirements of the Conditions

(7) The Manager shall not be made personally liable for carrying out any such requirements of slope maintenance works under the Conditions which shall remain the responsibility of the Owners if, having used all reasonable endeavours, he has not been able to collect the costs of the required works from all Owners.

Structural alterations by Manager

(8) The Manager shall not make any structural alterations to any part of the Development which will interfere with or affect the use and enjoyment of any other part thereof.

(C) Manager's Remuneration

Remuneration of Manager

(1) The Manager's Remuneration being the sum equivalent to 10% of the total expenses per annum necessarily and reasonably incurred in the course of proper and efficient management of the Development (the total expenses, for the purposes of this sub-clause, shall exclude the Manager's Remuneration) shall be payable by way of equal monthly payments in advance. The amount for such monthly payments shall be estimated by the Manager with adjustments to be made at the end of each financial year when the final annual Management Expenses are ascertained. The rate chargeable shall be subject to increase if approved by the Owners' Committee or by a resolution passed at an

Owners Meeting.

- Manager's Remuneration exclusive of disbursements (2) The Manager's Remuneration shall not be subject to any requirement by the Manager to disburse or provide from such money any staff, facilities, accountancy services, or other professional supervision the cost for which shall be a direct charge upon the Management Funds.
- Payment of Manager's Remuneration (3) The Manager's Remuneration shall be payable in advance on the first day of each month.

(D) Management Expenses

- Manager to prepare annual budget (1) For the purpose of fixing contributions towards the Management Expenses payable by the Owners the Manager shall prepare an annual budget showing the estimated expenditure necessarily and reasonably incurred in the course of proper and efficient management of the Development. The annual budgets, except the first one, are to be prepared in consultation with the Owners' Committee.
- Monthly payments in advance (2) The estimated Management Expenses shall be payable by way of equal monthly payments in advance with adjustments to be made at the end of each financial year when the final annual Management Expenses are ascertained.
- Annual budget to be in three parts (3) The annual budget showing the Management Expenses for the Common Areas and the Common Facilities shall be divided into three parts :-
- (a) Estimated expenditure in respect of the Estate Common Area and Estate Common Facilities;
  - (b) Estimated expenditure in respect of the Blocks Common Area and Blocks Common Facilities; and
  - (c) Estimated expenditure in respect of the Car Park Common Area and Car Park Common Facilities.
- Items included in Management Expenses (4) The annual budget in respect of the Common Areas and the Common Facilities shall cover the Management Expenses for the Common Areas and the Common Facilities including without limiting the generality of the foregoing the following items :-
- (a) The costs and expenses in connection with the carrying out of all or any of the duties of the Manager as set out in Section V hereof;

- (b) The Manager's Remuneration and the provision of provident and retirement fund;
- (c) The charges for electricity, water, gas and telephone and all other charges, assessments, impositions and other outgoings payable in connection with the Common Areas and the Common Facilities and insurance premiums payable on any policy taken out by the Manager as hereinbefore provided and any other expenses charged or assessed on or payable in respect of the Common Areas and Common Facilities;
- (d) The costs of operating, maintaining, servicing, keeping in good and tenantable repair and condition (including whenever necessary the costs of replacement) all the Common Areas, the foundations, the side walks, main walls (including the external walls), supports, beams, gutters, fences, chimneys, flue pipes, the effluent discharge system and all external parts of the Common Areas and all the drains, water tanks, wiring, electric pumps, pipes, conduits and all plumbing apparatus (if any) and all other Common Facilities and the podium roof (except as regards damage caused by or resulting from any act default or negligence of any Owner(s) its or their servants agents tenants or licensees for which damage such party shall be solely responsible and so that each of the Owners herein shall be responsible for the acts defaults and negligence of his servants agents tenants and licensees);
- (e) The costs of rebuilding or re-instatement of the Common Areas and the Common Facilities or any part thereof in case of destruction or damage or condemnation by the Building Authority or other competent Authority;
- (f) Government Rent payable in respect of the Land Provided that upon such Government Rent being apportioned under the New Government Rent and Premium (Apportionment) Ordinance Chapter 125 of the Laws of Hong Kong such Government Rent shall not be included as part of the Management Expenses but shall be paid direct by the Owners of the relevant Units in accordance with the said apportionment;

- (g) The costs of maintenance and/or repair works described in Sub-Clauses (1)(n) and (1)(o) of Sub-Section (B) of Section V of this Deed;
  - (h) Consultancy fee and the costs of maintenance and/or repair works referred to in Sub-Clauses 1 (nn) and 1 (oo) of Sub-Section (B) of Section V of this Deed;
  - (i) The costs and expenses of maintaining the structures and area or such part or parts thereof and maintaining and operating the facilities in accordance with the requirements under the Conditions including those mentioned in Sub-Clauses (1) (pp), (1) (qq) and (1) (rr) of Sub-Section (B) of Section V of this Deed;
  - (j) Any fees or charges payable to the Government or any other person under any Licence Agreement, Wayleave Agreement, Deed of Grant of Easement and/or Right of Way or any other documents of a similar nature affecting the Land;
  - (k) Contributions towards the costs of maintenance and repair of any facilities installed outside the Land but serving the Development whether exclusively or in common with other developments;
  - (l) The costs and expenses of employing such staff directly or indirectly involved in the management of the Development as are considered necessary by the Manager for the management and security of the Development, including any salary, bonus, overtime pay, provident fund, long service payment, employee compensation, medical insurance and other staff benefits or remuneration; and
  - (m) Any other items of expenditure which are in the discretion of the Manager considered to be necessary for the administration, management and maintenance of the Common Areas and the Common Facilities.
- When Management Expenses Commence to Accrue (5) For the avoidance of doubt, Management Expenses in respect of any part of the Development shall commence to accrue from the date of issuance of the Occupation Permit covering such part.
- Contribution to Management Expenses of Estate Common (6) Each Owner of a Flat or Carpark shall contribute to the Management Expenses in respect of the Estate Common

- Area and Facilities
- Area and Estate Common Facilities at the rate at which the number of Undivided Shares of the Flat or Carpark held by the Owner bears to the total number of the Undivided Shares of the Development less those allocated to the Common Areas.
- Contributions to Management Expenses of Blocks Common Area and Facilities
- (7) Each Owner of a Flat shall further contribute to the Management Expenses of the Blocks Common Areas and Blocks Common Facilities at the rate at which the number of Undivided Shares of the Flat held by him bears to the total number of Undivided Shares allocated to the Blocks.
- Contributions to Management Expenses of Car Park Common Area and Facilities
- (8) Each Owner of a Carpark in the Car Park shall further contribute to the Management Expenses in respect of the Car Park Common Area and Car Park Common Facilities at the rate at which the number of Undivided Shares of the Carpark held by him bears to the total number of Undivided Shares allocated to the Car Park.
- Vacant Units are subject to payment of Management Expenses
- (9) The Owner's liability to make payment or contribution to the Management Expenses shall in no way be reduced by reason of the fact that the Unit to which he is entitled to exclusive possession is vacant or has been let or leased or occupied by any other person.
- Security for moneys due to the Manager
- (10) Each Owner before taking possession of his Unit from the Registered Owner shall :-
- (a) deposit with the Manager as security for the due payment of the monthly contributions which may be or become payable by him under Sub-Clauses (6), (7) and (8) of Sub-Section (D), if applicable, a sum equivalent to three times the monthly sum specified in Sub-Clauses (6), (7) and (8) of Sub-Section (D); and
- (b) pay to the Manager the first month's contribution in advance.
- Deficit and Surplus of Management Expenses
- (11) (a) In the event of the Manager finding at any time that the annual budget is insufficient to cover all expenditure, it shall, subject to the provisions of Sub-Clause (b) hereunder, prepare a revised budget and have the same reviewed by the Owners' Committee (only if and when it has been established pursuant to this Deed) and the provisions of Clauses (3) to (9) and (17) of this Sub-Section (D) shall apply mutatis

mutandis to the revised budget as to the annual budget. Any surplus shall be applied towards the Management Expenses and be taken into account when calculating the relevant budget for the next ensuing year pursuant to Clause (1) of this Sub-Section (D).

Further contribution to management expenses

- (b) In the event that the total contributions received as aforesaid by the Manager are insufficient to meet the Management Expenses, each Owner shall at the request of the Manager pay a due proportion of the deficiency by making a further contribution to the Manager.
- (c) The Manager shall also have the power, in the event of a revised budget completed pursuant to and in accordance with Sub-Clause (a) hereof, to add to the amount to be contributed monthly by any Owner such additional amount as shall be necessary to meet revised estimated expenditure in any financial year to the intent that any such amount shall form part of the monthly contribution of such Owner to the Management Expenses and be recoverable accordingly.

Capital Equipment Fund

- (12) There shall be established and maintained by the Manager at such time as it shall deem appropriate a non-transferable and non-refundable Capital Equipment Fund towards payment of expenses of a capital nature for the purchase or replacement of installation, plant and equipment in the Common Areas and the Common Facilities or for the provision of amenities to be used and enjoyed by all the Owners. Each Owner shall before he is given possession of his part of the Development deposit with the Manager a sum equivalent to two months' of his initial monthly management contribution payable by him as an initial contribution. Each Owner shall also on demand pay to the Manager such further annual sum in each calendar year (payable in one lump sum or by monthly instalments) as the Owners in their Annual General Meeting may determine upon the recommendations of the Manager in order to maintain the said Capital Equipment Fund at such level as the Manager and the Owners' Committee will deem appropriate. The Manager shall make an estimate in the annual budget for the establishment of the Capital Equipment Fund and the time when money in this Fund shall be drawn. Except in a situation considered by the Manager to be an emergency, no money shall be drawn unless it is for a



purpose approved by a resolution of the Owners' Committee (if any). The Capital Equipment Fund shall be held by the Manager on trust for the Owners and the Fund shall be placed in an interest bearing account with such bank or banks granted with a licence under the Banking Ordinance as the Manager shall think fit, the title of which account(s) shall refer to the Capital Equipment Fund for the Development and the Manager shall use that account(s) exclusively for the purposes abovementioned. The Manager shall upon receipt of money in this Fund deposit the same into the said account(s).

Exclusive user to bear expenses

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

Water Charges

- (14) If any Unit shall have its own separate water meter then the water charges for the supply of water to such Unit shall be paid by the Owner thereof but if a group of two or more Units share the same water meter then the water charges for the supply of water to such group of Units shall be shared and paid by the Owner(s) thereof according to the separate private water meter of each Unit if such meter had been installed but if no separate private meter has been installed then such water charges shall be borne and paid by the Owners in proportion to the number of Units for the time being owned by the Owners of the said group.

Contract by tender

- (15) The Manager shall not, in any financial year, enter into any contract that involves an average annual expenditure of more than
- (a) the sum of HK\$100,000.00 or such other sum in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette; or
  - (b) a sum which is equivalent to 20% of the annual budget or such other percentage in substitution therefor as may be approved by the Owners by a resolution passed at a general meeting,

whichever of (a) or (b) is the lesser, unless the contract is to be let at intervals of not more than 3 years and complies with such standards and guidelines as may be specified in a Code of Practice referred to in Section 20A(3) of the

Building Management Ordinance relating to procurement and tender procedures.

Fee for granting consent

- (16) Where any consent is required from the Manager by an Owner, the Manager may charge a reasonable fee including but not limited to administrative fee for granting such consent. Such fees shall be held as part of the Management Funds and be applied towards the Management Expenses in such manner as the Manager may from time to time decide.

Formalities relating to preparation of annual budget

- (17) In respect of each annual budget, the Manager shall :-
- (a)
    - (i) prepare a draft budget setting out the estimated Management Expenses during the financial year;
    - (ii) send a copy of the draft budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the draft budget in a prominent place in the Development;
    - (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 14 days from the date the draft budget is sent or first displayed;
    - (iv) after the end of that period, prepare a budget specifying the estimated Management Expenses during the financial year;
    - (v) send a copy of the budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the budget in a prominent place in the Development.
  - (b) Where, in respect of a financial year, the Manager has not complied with Sub-Clause (a) hereof, before the start of that financial year, the total amount of the Management Expenses for that year shall :-
    - (i) until he has so complied, be deemed to be the same as the total amount of Management Expenses (if any) for the previous financial year;

- (ii) when he has so complied, be the estimated Management Expenses specified in the budget for that financial year, and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.
- (c) Where an annual budget has been sent or displayed in accordance with Sub-Clause (a)(v) hereof, 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 annual budget by virtue of Sub-Clause (a) hereof.
- (d) Where a revised budget is sent or displayed in accordance with Sub-Clause (c) hereof, the total amount of the Management Expenses for that financial year shall be the estimated Management Expenses specified in the revised budget and the amount that Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.
- (e) If there is an Owners' Incorporation (as hereinafter defined) and, within a period of 1 month from the date that an annual budget or revised budget for a financial year is sent or first displayed in accordance with Sub-Clause (a) or (c) hereof, the Owners' Incorporation decides, by a resolution of the Owners, to reject the annual budget or revised budget, as the case may be, the total amount of Management Expenses for the financial year shall until another annual budget or revised budget is sent or displayed in accordance with Sub-Clause (a) or (c) hereof, and is not so rejected under this Sub-Clause, be deemed to be the same as the total amount of Management Expenses (if any) for the previous financial year, together with an amount not exceeding 10% of that total amount as the Manager may determine.
- (f) If any Owner requests in writing the Manager to supply him with a copy of any draft budget, annual budget or revised budget, the Manager shall, upon receipt of a reasonable copying charge, supply a copy to that person.

(E) Interest and Recovery of Management Expenses

- Interest on unpaid monthly contribution (1) If any Owner shall fail to pay any amount payable hereunder within 30 days of the date on which the same shall fall due, he shall further pay to the Manager:-
- (a) Interest calculated at the rate of 2% over and above the Prime Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time on the unpaid amount.
- (b) A collection charge of HK\$500.00 or such other sum subject to the approval of the Owners' Committee or the Owners' Incorporation (if any) to cover the cost (other than legal costs as hereinafter mentioned) of the extra work in recovering the unpaid amount as occasioned by the default.
- Application of interest and collection charges (2) All moneys paid to the Manager by way of interest and collection charges shall be held as part of the Management Funds for the management of the Development and be applied towards the Management Expenses in such manner as the Manager may from time to time decide.
- Action against defaulting Owner (3) 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 charges and all other expenses incurred in or in connection with recovering or attempting to recover the same shall be recoverable by civil action at the suit of the Manager. The claim in any such action may include a claim for legal costs on the solicitor and own client basis. In any such action the Manager shall conclusively be deemed to be acting as the agent or agents for and on behalf of the Owners as a whole (other than the defaulting Owner) and no Owner sued under the provisions of this Deed shall raise or be entitled to raise any defence of want of authority or take objection to the right of the Manager as plaintiff to sue or to recover such amounts as may be found to be due.
- Charge on shares of defaulting Owner (4) In the event of any Owner failing to pay any sum due and payable by him in accordance with the provisions of this Deed within 30 days of the date on which the same became payable, the amount thereof together with interest as aforesaid and the said collection charge and all costs and expenses which may be incurred in recovering or attempting

to recover the same including the legal costs referred to in Sub-Clause (3) of this Sub-Section (E) and in registering the charge hereinafter referred to, shall be charged on the Undivided Share or 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.

Enforcement of charge

- (5) 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 the sale of the Undivided Share or Shares of the defaulting Owner together with the right to the exclusive use occupation and enjoyment of his Unit or Units and Sub-Clause (3) of this Sub-Section (E) shall apply equally to any such action.

Action against non-observance of covenants

- (6) The Manager shall further have power to commence proceedings for the purposes of enforcing the observance and performance by any Owner or 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 and of General Rules and Car Park Rules made hereunder and of recovering damages for the breach non-observance or non-performance thereof. The provisions of Sub-Clauses (3) (4) and (5) of this Sub-Section (E) shall apply to all such proceedings.

Application of damages recovered

- (7) All damages recovered in any such proceedings shall be held as part of the Management Funds for the management of the Development and be applied accordingly.

(F) Management Funds

Manager to keep proper account

- (1) All monies collected by the Manager (who shall be deemed to be a trustee for and on behalf of the Owners in respect of all monies and deposits received on their behalf) in the exercise of its powers and duties hereunder (save and except that the Manager may retain or pay into a current account a reasonable amount to cover expenditure of a minor nature as is from time to time determined by a resolution of the Owners' Committee (if any) and also subject to such conditions as may be approved by a resolution of the

Owners' Committee) shall without delay be paid into an interest-bearing bank account or accounts of the Manager and such bank account(s) shall be maintained with a bank granted with a licence under the Banking Ordinance, the title of which refers to the management of the Development. The Manager shall use that amount(s) exclusively for the management of the Development and keep true and proper accounts of all such monies and the expenditure thereof and shall produce a detailed summary of such accounts each month and shall after the close of every financial year produce an annual set of accounts as soon as the accounts are certified by the Auditors hereinafter referred to as providing an accurate summary of all items of income and expenditure during the preceding year. The Manager shall keep all bills, invoices, vouchers, receipts and other documents referred to in the accounts for at least 6 years.

- (2) Where any compensation, damages, costs and expenses are received or recovered (as the case may be) by the Manager in any proceedings against any Owner for the purpose of enforcing the observance and performance of the covenants, conditions, or provisions of this Deed, the same shall, after deduction of any costs or expenses incurred by the Manager in recovering the same, be held as part of the Management Funds and be applied towards the Management Expenses as the Manager may from time to time decide.
- (3) All monies paid to the Manager by way of interest and collection charges shall be applied towards the Management Expenses in such manner as the Manager may from time to time decide.
- (4) The Manager shall have power to appoint a firm of Certified Public Accountants to audit the accounts and records of the Manager concerning the management of the Development and to certify the annual accounts prepared in accordance with the preceding Sub-Clause (1) of this Sub-Section (F) and the accountant's fees shall be part of the Management Expenses. The Manager shall further have power to replace such firm and to appoint another firm in their place as it may deem necessary from time to time provided that the Owners' Committee or the Owners at an Annual General Meeting may choose to appoint an auditor of their choice from time to time. If there is an Owners' Incorporation (as hereinafter defined) and the Owners' Incorporation decides, by a resolution of the Owners that any income and expenditure account and balance sheet should be audited by an accountant

Manager to appoint  
auditors

or by some other independent auditor as may be specified in that resolution, the Manager shall without delay arrange for such an audit to be carried out by that person.

Owner's Interest in  
Management Funds  
and Capital  
Equipment Fund

- (5) Any person ceasing to be an Owner shall in respect of the Undivided Share or Shares of which he ceases to be the Owner thereupon cease to have any interest in the Management Funds held by the Manager including the deposit paid under Sub-Clause (10)(a) of Sub-Section (D) of Section V hereof and the due contribution paid under Sub-Clause (12) of Sub-Section (D) of Section V hereof to the intent that all such Management Funds shall be held and applied for the management of the Development irrespective of changes in ownership of the Undivided Shares PROVIDED that the aforesaid deposit may be transferred to the new Owner of such Undivided Shares AND PROVIDED further that upon the rights and obligations hereunder being released as provided herein or upon the Land reverting to the Government and no renewal of the Conditions being obtainable any balance of the Management Funds shall be divided proportionately between the Owners of the Undivided Shares immediately prior to such release or reversion.

(G) Management Records and Accounts

Financial year

- (1) The financial year for the purpose of management of the Development shall commence on the day on which the Occupation Permit in respect of the Development is issued and shall end on the 1st day of April of the following year but thereafter the financial year shall commence on the 1st day of April and shall end on the 31st day of March of that year Provided Always that the Manager shall have the right to change the financial year once in every five years upon giving a minimum of 3 months' notice in writing to the Owners or from time to time upon the prior approval of the Owners' Committee.

Manager to keep  
accounts

- (2) The Manager shall keep true and proper accounts of all monies received in the exercise of its powers and duties hereunder and all expenditure thereof.

Manager to prepare  
and publish monthly  
summary of accounts

- (3) Within 30 days of the end of each month the Manager shall prepare a detailed monthly summary of all accounts with regard to Clause 2 hereof and shall publish the same in a prominent place in the Development for a reasonable period

of time.

Manager to prepare  
audited annual account

- (4) Within 60 days after the close of each financial year the Manager shall prepare a full set of annual accounts in respect of the management of the Development for the preceding financial year which accounts shall make special reference to the Capital Equipment Fund and shall be certified by an independent firm of auditors as providing an accurate summary of all items of income and expenditure during that preceding financial year.

Owners to inspect and  
Manager to supply  
copy of accounts

- (5) The Manager shall upon written request of any Owner arrange such Owner to inspect any of the accounts prepared pursuant to this Deed and upon payment by any Owner of a reasonable charge for copying the same send to such Owner a copy of the annual accounts or monthly accounts at any time after the same shall have been prepared as herein provided.

Accounts upon  
termination of  
appointment of  
Manager

- (6) If the Manager's appointment ends for any reason, he shall within 2 months of the date his appointment ends :-

(a) prepare :-

- (i) an income and expenditure account for the period beginning with the commencement of the financial year in which his appointment ends and ending on the date his appointment ended; and
- (ii) a balance sheet as at the date his appointment ended,

and shall arrange for that account and balance sheet to be audited by a certified public 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 certified public accountant or other independent auditor as may be chosen by the Manager; and

- (b) deliver to the Owners' Committee (if any) or the Manager appointed in his place any books or records of account, papers, plans, documents and other records in respect of the control, management and administration of the Development that are under his control or in his custody or possession.



## SECTION VI

### OWNERS' MEETINGS

From time to time there shall be meetings of the Owners to discuss and decide matters concerning the Land and the Development and in regard to such meetings the following provisions shall apply :-

- |                             |     |   |
|-----------------------------|-----|---|
| First Meeting               | (1) | The Owners shall within nine months from the date hereof meet for the purpose of electing a Chairman and a Vice-chairman and not less than five but not more than seven members to the Owners' Committee hereinafter referred to and transacting business to be tabled at the meeting.  |
| Annual Meeting              | (2) | At least once in every calendar year thereafter, the Owners shall meet for the purpose of electing such officers and members as aforesaid and transacting any other business of which due notice is given in the notice convening the meeting.  |
| Convening a Meeting         | (3) | A meeting may be validly convened by the Manager, the Owners' Committee or at the request of the Owners holding not less than 20% of the Undivided Shares in the Land and the Development (excluding the Undivided Shares allocated to the Common Areas).   |
| Notice of Meeting           | (4) | Every such meeting shall be convened by at least 7 days notice in writing specifying the date, time and place of the meeting and setting out the agenda therefor.   |
| Quorum of Meeting           | (5) | No business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business and remains present for the duration of the meeting and Owners present in person or by proxy who in the aggregate have vested in them not less than one tenth of the total number of Undivided Shares in the Land and the Development (excluding the Undivided Shares allocated to the Common Areas) shall be a quorum. The procedure at any meeting shall be as is determined by the Owners. |
| Manager to act as Secretary | (6) | The Manager shall send a secretary to the meetings who shall keep a record of the persons present at the meetings and the proceedings thereof.  |
| Corporate Owner             | (7) | In the event of an Owner being a corporate body, any representative appointed by such Owner shall be entitled to attend and vote on behalf of such Owner. Such appointment  |

shall be in writing addressed to the Manager and may be revoked at any time on notice in writing being given to the Manager.

- Chairman of Meeting (8) In the absence of the Chairman and the Vice-Chairman, the Owners present at the meeting shall choose one of their members to be the Chairman of that meeting.
- Voting right of Owners (9) Every Owner (other than the Owner of the Common Areas) shall have one vote for each Undivided Share in the Land and the Development vested in such Owner and in the case of Owners who together are entitled to any such Undivided Share such Owners shall jointly have one vote for each such Undivided Share and such vote may be cast (i) by a proxy jointly appointed by such Owners; (ii) by one of such Owners appointed by the others; or (iii) if no appointment has been made under the said (i) or (ii) above, by such Owner whose name stands first in relation to that Undivided Share in the register kept at the Land Registry.
- Voting in person or by proxy (10) Votes may be given either personally or by proxy. The instrument appointing a proxy shall be deposited with the Chairman of the meeting at the meeting. An instrument appointing a proxy shall be in writing signed by the Owner or, if the Owner is a body corporate, under seal of that body.
- Ordinary Resolutions (11) Save as otherwise provided in this Deed any resolution on any matter concerning the Land and the Development passed by a simple majority of votes at a duly convened meeting by the Owners present in person or by proxy and voting shall be binding on all the Owners Provided Always:-
- (a) 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.
  - (b) No resolution purporting to be passed at any such meeting concerning any matter not mentioned in such notice shall be valid.
  - (c) 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.
  - (d) 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 but no such resolution shall be valid to the extent that it purports to take away or abrogate or prevent the exercise of any of the powers of the Manager unless such resolution is passed by the Owners of not less than 50% of the total number of Undivided Shares in the Land and the Development (excluding the Undivided Shares allocated to the Common Areas).

Special Resolutions

(12) Without prejudice to anything herein contained, no resolution in respect of any of the matters hereinafter referred to shall be valid unless such resolution is passed by the Owners of not less than 75% of the total number of Undivided Shares in the Land and the Development (excluding the Undivided Shares allocated to the Common Areas) namely :-

(a) Upon the expiration of the said term of years to which the Owners are entitled under and by virtue of the Conditions or in the event of the Government taking any action by way of earlier re-entry thereunder in such circumstances that the Owners for the time being may be entitled to a renewal or extension or re-grant thereof or to a new lease term upon such terms and conditions as the Government shall offer, whether and in what manner to pay any premium rent or other charges and expenses payable in respect thereof and generally any other matter relating to the continuance or renewal of the Conditions.

(b) A resolution to rebuild or redevelop the Development.

Accidental omission  
of notice

(13) The accidental omission to give notice as aforesaid to any Owner shall not invalidate the proceedings at any meeting or any resolution passed thereat.

Resolution in writing

(14) Unless provided otherwise in this Deed, a resolution in writing signed by those Owners who in the aggregate have vested in them for the time being more than 50% of the total number of the Undivided Shares in the Land and the Development (excluding the Undivided Shares allocated to the Common Areas) shall be as valid and effectual as if it had been a resolution requiring only a simple majority of votes passed at a validly convened meeting of the Owners.

- Mortgagees' voting right (15) Where any Owner has charged or mortgaged his interest in any Undivided Share(s) in the Land and the Development, the voting rights conferred on such Owner shall, subject to the provisions of the relevant mortgage, be exercisable by the Owner (the Mortgagor) unless the mortgagee is in possession or in receipt of the rents and profits in respect of such Undivided Share(s).
- Passing of resolutions (16) (a) All resolutions put to the vote of the meeting shall be decided by a poll to be taken at such time and in such manner as the Chairman shall direct.  
(b) In the case of an equality of votes the Chairman shall have a second or casting vote.
- Defaulting Owner (17) An Owner who has failed to pay his due proportion of the Management Expenses shall not be allowed to be present at any meetings.
- Resolutions binding on All Owners (18) All resolutions passed at a meeting duly convened and held shall be binding on all Owners.
- Purpose of Meeting (19) The purpose of such meetings, in addition to the election of officers and members of the Owners' Committee as aforesaid, shall be to discuss all matters relating to the Development.
- Election of Owners' Committee (20) The Chairman, the Vice-Chairman and any other officers of the Owners' Committee shall be elected in the following manner. The candidates for election shall be proposed and seconded by any Owners present in person or by duly authorised representative at the meeting. As soon as all candidates have been proposed and seconded and provided that such candidates consent to be elected their names will be put before the meeting who will vote thereon. For the avoidance of doubt, all the officers and members of the Owners' Committee and any person to fill the causal vacancy of the Owners' Committee shall be elected in an Owners Meeting.

## SECTION VII

### MEETING OF THE OWNERS' COMMITTEE

- Members of the Committee (1) The Chairman, Vice-Chairman and not more than seven members of the Owners' Committee (hereinafter referred to as "the Committee") elected in accordance with the

provisions of Clause 1 of Section VI of this Deed shall be the Owners' Committee, which shall meet at least once every three months.

- |                               |      |  |
|-------------------------------|------|--|
| Notice of Meeting             | (2)  | The meeting of the Committee shall be convened by the Manager by at least 7 days' notice in writing specifying the date, time and place of the meeting and the subjects to be discussed.   |
| Manager no voting right       | (3)  | The Manager may be represented at the meeting by a duly appointed representative who shall not be entitled to vote.  |
| Manager to act as Secretary   | (4)  | The Manager shall send a secretary to the meetings who shall keep a record of the persons present at the meetings and the proceedings thereof.   |
| Convening a Meeting           | (5)  | The Chairman or any 2 members may request the Manager to convene a meeting and the Manager shall, upon such request, convene the meeting in accordance with the provisions of Clause (2) of this Section.  |
| Quorum of Meeting             | (6)  | No business shall be transacted at any time unless a quorum is present when the meeting proceeds to business and remains present for the duration of the meeting and not less than 5 members of the Committee shall be a quorum. The procedures at meetings of the Committee shall be as is determined by the Committee. |
| Passing of resolutions        | (7)  | All resolutions put to the vote of the meeting shall be decided by a majority on a show of hands and each member present shall have one vote and if there is an equality of votes, the Chairman shall have, in addition to a deliberative vote, a casting vote.  |
| Resolutions binding on Owners | (8)  | All resolutions passed at a meeting of the Committee duly convened and held shall be binding on all Owners.  |
| Purpose of Meeting            | (9)  | The purpose of a meeting of the Committee shall be to discuss management matters relating to the Development or to recommend for appointment at the Owners' Meeting a new Manager.   |
| Chairman of Meeting           | (10) | Any meeting of the Committee shall be presided over by the Chairman or in the absence of the Chairman, a member of the Committee appointed as Chairman for that meeting.   |

## SECTION VIII

### EXTINGUISHMENT OF RIGHTS UNDER THIS DEED

(1) In the event of the Development or any part thereof being damaged by fire, typhoon, earthquake, subsidence or other cause so as to render the same substantially unfit for use, the Manager shall convene a meeting of the Owners of the Units in the Development or that part of the Development and such meeting may resolve by a 75% majority of the Owners present and voting that by reason of insufficiency of insurance monies, changes in building law and/or regulations or any other circumstances whatsoever, it is not practicable to reinstate and rebuild the Development or such part of the Development and in such event the Undivided Shares in the Land and the Development representing the Units in the Development or 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 such other means as the Manager may deem appropriate and to distribute the net proceeds of sale amongst the Owners of such Undivided Shares in proportion to the respective Undivided Shares previously held by such former Owners. All insurance moneys received in respect of any policy of insurance on the Development or 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 Development or that part of the Development.

(2) The following provisions shall apply to a meeting convened by the Manager as provided in Clause (1) of this Section:-

- (a) A meeting shall not proceed unless a quorum is present and remains present for the duration of the meeting. A quorum shall consist of Owners of the Units in the Development or that part of the Development holding not less than 75% of the Undivided Shares or in whom not less than 75% of the Undivided Shares allocated to that part of the Development are vested. 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 next week and at the same place and if at such adjourned meeting a quorum is not present the Owners present shall be deemed to be a quorum.
- (b) The Manager's representative shall preside at such meeting.
- (c) A resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least one Owner entitled to be present and present at the meeting. A poll if demanded shall be taken at such time and in such manner as the Manager shall direct.
- (d) On a show of hands every Owner entitled to be present and present at the meeting shall have one vote for every Undivided Share held by him. In case

of a poll every Owner (other than the Owner of the Common Areas) shall have one vote for every Undivided Share held by him.

- (e) The Manager shall give notice of the meeting which shall be posted on the public notice boards of the Development specifying the time and place of the meeting.

## SECTION IX

### MISCELLANEOUS

- (1)
  - (a) Notwithstanding anything contained in this Deed, The Registered Owner shall not assign mortgage or charge (save by way of building mortgage or charge under Special Condition No.(14)(c) of the Conditions) or otherwise dispose of or part with the possession of any of the Undivided Shares allocated to the Common Areas and Common Facilities or any interest therein or enter into any agreement so to do except that upon execution of this Deed the whole of the said Undivided Shares in the Common Areas and Common Facilities shall be vested in the Manager who must hold the said Undivided Shares on trust for the benefit of all Owners.
  - (b) Subject to Sub-Clause (c) hereof, on termination of the Manager's appointment the Manager shall assign the said Undivided Shares free of costs or consideration to its successor in office.
  - (c) The Owners Incorporation once in being may require the Manager, in accordance with this Deed to assign the Undivided Shares in the Common Areas and Common Facilities and transfer the management responsibilities to it free of costs or consideration, in which event, the Owners' Incorporation must hold them on trust for the benefit of all Owners.
- (2) All notice required to be served hereunder on any of the parties hereto or on any Owner shall be deemed to have been sufficiently served if a copy of such notice is served personally on the party to be served or posted on a conspicuous part of the Unit of which the party to be served is entitled to the sole and exclusive use, occupation and enjoyment notwithstanding that such party may not personally occupy such Unit or if a copy is sent by prepaid post to the last known address in Hong Kong of the party to be served Provided that where notices are to be served on any Owner who is a Mortgagee or chargee, such notice shall be served on the Mortgagee or chargee if a company at its registered office or last known place of business in Hong Kong and if an individual at its last known place of residence.
- (3) During the existence of an Owners' Incorporation (hereinafter called "the Owners' Incorporation") under the Building Management Ordinance Chapter 344 of the Laws of Hong Kong (hereinafter called "the said Ordinance") the rights, duties, powers and obligations for the control, management and administration of the Development conferred by

this Deed on the Manager shall be vested in the Owners' Incorporation, and the general meeting of the Owners' Incorporation shall take the place of the Owners' Meeting and the management committee of the Owners' Incorporation so provided for in the said Ordinance shall take the place of the Owners' Committee whereupon all references throughout this Deed to "Owners' Committee" shall be construed and read as referring to the said management committee of the Owners' Incorporation.

(4) Notwithstanding anything herein contained, no provision in this Deed shall prejudice the operation of the Building Management Ordinance (Cap.344).

(5) The Registered Owner will provide a direct translation or summary in Chinese of this Deed within 2 months of the date hereof, and ensure it is available for inspection and the taking of copies by the Owners at their expense at the management office. In the event of a dispute as to the effect of the Chinese translation and this Deed (in English), this Deed (in English) shall prevail.



**ALLOCATION OF THE UNDIVIDED SHARES**  
**N.K.I.L.6217 NGAU CHI WAN**

(A) Flats

(109,342 Shares)

Block 1

Undivided Shares for each flat	Unit	A	B	C	D	E	F	G	H	TOTAL
		Floor								
39		137*	128*	128*	137*	95*	87*	87*	95*	894
37 - 38 (2 storeys)		137	128	128	137	95	87	87	95	1,788
1 - 36 (32 storeys)		132	123	123	132	95	87	87	95	27,968
										30,650

Block 2

Undivided Shares for each flat	Unit	A	B	C	D	E	F	G	H	TOTAL
		Floor								
39		95*	87*	87*	135*	135*	87*	87*	95*	808
37 - 38 (2 storeys)		95	87	87	135	135	87	87	95	1,616
3 - 36 (30 storeys)		95	87	87	132	132	87	87	95	24,060
2		95	87	87	132	-	-	87	95	583
1		95	87	87	132	-	-	-	-	401
										27,468

Block 3

Undivided Shares for each flat	Unit	A	B	C	D	E	F	G	H	TOTAL
		Floor								
39		135*	87*	87*	135*	132*	87*	87*	132*	882
37 - 38 (2 storeys)		135	87	87	135	132	87	87	132	1,764
2 - 36 (31 storeys)		132	87	87	132	132	87	87	132	27,156
1		132	87	87	132	-	-	-	-	438
										30,240

Block 5

Undivided Shares for each flat Floor	Unit	A	B	C	D	E	F	TOTAL
39		133*	132* /	94* /	87* /	87* /	92* /	625
37 - 38 ( 2 storeys )		133	132 /	94 /	87 /	87 /	92 /	1,250
3 - 36 ( 30 storeys )		128 /	126 /	94 /	87 /	87 /	92 /	18,420
2		128 /	126 /	94 /	87 /	-	-	435
1		128 /	126 /	-	-	-	-	254
								20,984

( B ) Carparking Spaces

259 Private Car Parking Spaces at 25 Shares each.

6,475 Shares

( C ) Common Areas

72,752 Shares

GRAND TOTAL : 188,569 Shares

Note : i ) There is no 4th, 14th, 24th & 34th and there is no Block 4.

ii ) \* Including Roof(s) thereof.

IN WITNESS whereof the Registered Owner and the Manager have caused their respective Common Seals to be hereto affixed and the First Purchaser hath hereunto set his hand and seal the day and year first above written.

SEALED with the Common Seal of the )  
Registered Owner and SIGNED by )  
)  
whose signature(s) is/are verified by :- )

Solicitor, Hong Kong SAR.

SIGNED SEALED AND DELIVERED )  
by the First Purchaser in the presence )  
of :- )

Solicitor, Hong Kong SAR.

INTERPRETED to the First Purchaser by :-

Clerk to Messrs. Winston Chu & Company,  
Solicitors & Notaries, Hong Kong SAR.

SEALED with the Common Seal of the )  
Manager and SIGNED by )  
)  
whose signature(s) is/are verified by :- )

Solicitor, Hong Kong SAR.