

Dated the _____ day of _____ 20____

POWERFUL WORLD LIMITED

and

[_____]

and

**JONES LANG LASALLE MANAGEMENT
SERVICES LIMITED**

and

THE BANK OF EAST ASIA, LIMITED

**DEED OF MUTUAL COVENANT AND
MANAGEMENT AGREEMENT**

of

**Inland Lot No. 434,
Section A of Inland Lot No. 435,
Section B of Inland Lot No. 435,
Section C of Inland Lot No. 435,
The Remaining Portion of Inland Lot No. 435,
Inland Lot No. 658,
Section A of Inland Lot No. 659,
Section B of Inland Lot No. 659,
Section C of Inland Lot No. 659 and
The Remaining Portion of Inland Lot No. 659
("L'Wanchai" (壹嘉), No. 109 Wan Chai Road)**

**MAYER • BROWN
JSM**

WKWC/ATSY/16527226
(21.6.2017)

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THIS DEED is made the day of

BETWEEN

- (1) **POWERFUL WORLD LIMITED (威動有限公司)** whose registered office is situate at 21st Floor, Entertainment Building, 30 Queen's Road Central, Hong Kong (hereinafter collectively called the "**First Owner**" which expression shall where the context so admits include their respective successors and assigns) of the first part;
- (2) (hereinafter called the "**First Assignee**" which expression shall where the context so admits include his executors, administrators and assigns) of the second part;
- (3) **JONES LANG LASALLE MANAGEMENT SERVICES LIMITED (仲量聯行物業管理有限公司)** whose registered office is situate at 6th Floor, Three Pacific Place, 1 Queen's Road East, Hong Kong (hereinafter called the "**DMC Manager**") of the third part; and
- (4) **THE BANK OF EAST ASIA, LIMITED** whose registered office is situate at No.10 Des Voeux Road Central, Hong Kong (hereinafter called the "**Lender**" which expression shall where the context so admits include its successors and assigns) of the fourth part.

WHEREAS:-

- (A) Immediately prior to the Assignment to the First Assignee hereinafter referred to the First Owner is the registered owner and is in possession of the Land for the residue of a term of 999 years commencing from (i) the 29th day of May 1855 (for Inland Lot No. 434, Section A of Inland Lot No. 435, Section B of Inland Lot No. 435, Section C of Inland Lot No. 435 and The Remaining Portion of Inland Lot No. 435) and (ii) the 26th day of December 1860 (for Inland Lot No. 658, Section A of Inland Lot No. 659, Section B of Inland Lot No. 659, Section C of Inland Lot No. 659 and The Remaining Portion of Inland Lot No. 659) respectively subject to and with the benefit of the Government Grant.
- (B) The First Owner has developed and is in the course of developing the Land in accordance with the Government Grant and the Building Plans.
- (C) For the purposes of sale the Land and the Development have been notionally divided into 47,373 equal Undivided Shares which have been allocated as provided in the FIRST SCHEDULE hereto.
- (D) By a release / partial release bearing even date but executed immediately prior to the Assignment to the First Assignee hereinafter referred to, the First Assignee's Unit (as hereinafter defined) was released by the Lender to the First Owner from the Debenture.
- (E) By an Assignment bearing even date herewith and made between the First Owner of

the one part and the First Assignee of the other part and for the consideration therein expressed the First Owner assigned unto the First Assignee All Those [*] equal undivided 47,373rd parts or shares of and in the Land and the Development together with the sole and exclusive right to hold use occupy and enjoy All [That/Those] [Flat] [*] on [*] Floor of the Development (the “**First Assignee’s Unit**”), Subject to and with the benefit of the Government Grant.

- (F) The parties hereto have agreed to enter into these presents for the purpose of making provisions for the management, maintenance, repair, renovation, insurance and service of the Land and the Development and the Common Areas and Facilities therein and for the purpose of defining and regulating the rights, interests and obligations of the Owners in respect thereof and to provide for apportionment of the expenses of such management, maintenance, repair, renovation, insurance and service to be borne by the Owners.
- (G) In these presents (if the context permits or requires) words importing the singular number only shall include the plural number and vice versa and words importing the masculine gender only shall include the feminine gender and the neuter and vice versa and words importing persons shall include corporations and vice versa.

NOW THIS DEED WITNESSETH as follows:-

SECTION 1: Definitions and Interpretation

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

“Authorized Person”

means Mr. Leung Sai Hung of MLA Architects (HK) Ltd., which expression shall include any other authorized person or persons for the time being appointed by the First Owner in the place of the said Mr. Leung Sai Hung;

“Building Management Ordinance”

means the Building Management Ordinance (Cap.344) and any statutory amendments, modifications or re-enactments thereof from time to time in force;

“Building Plans”

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

“Club House”

means the premises comprising, inter alia, gymnasium, sitting area and toilets on 3/F, and such other areas and facilities as are now or from time to time designated by the First Owner;

“Club Rules”

means such rules and regulations set down by the Manager (with the approval of the Owners' Committee, (if any)) from time to time with specific application to the Club House and the use and enjoyment thereof;

“Commercial Accommodation”

means and includes such part of the Development constructed or to be constructed for use as shops, commercial, retail or other non-industrial purposes in accordance with the Building Plans and the Signboard which are (in so far as the same are capable of being shown on plans) for the purposes of identification only shown coloured Grey on the plan(s) certified by the Authorized Person and annexed hereto;

“Common Areas and Facilities”

means collectively the Development Common Areas and Facilities and the Residential Common Areas and Facilities and all those parts and such of the facilities of the Development designated as common areas and facilities in any Sub-Deed;

“Debenture”

means the Debenture and Mortgage dated 11 October 2013 made between the First Owner as mortgagor and the Lender and registered in the Land Registry by Memorial No. 13110602310030 as varied and modified by Supplement To Security Documents dated 27 September 2016 and registered in the Land Registry by Memorial No. 16101802450281, and as the same may be varied or supplemented thereafter or hereafter from time to time;

“Development”

means the whole of the development erected on the Land known as “L’Wanchai” (壹嘉)” in accordance with the Government Grant and the Building Plans;

“Development Common Areas and Facilities”

means and includes:-

- (a) such part of the external walls (other than those forming part of the Residential Accommodation and those forming part of the Commercial Accommodation) of the Development;
- (b) cable ducts, cable riser chamber, cable riser duct, cable riser pit, cat ladders, electric meter rooms, elevator meter room, emergency generator room, firemen’s lift lobbies, flushing water upfeed pump room, fire services control centre, fire services ducts, fire services transfer pump room, fire services water tank, glass wall architectural features, hose reels, high voltage cable pit, lifts, lift machine room, lift vents, main switch room, metal canopy, pipe ducts, pipe duct rooms, potable water upfeed pump room, refuse storage and material recovery chamber, the Slope Structures, service lane, service lift lobbies, sprinkler and fire services pump room, sprinkler water tank, staircases, stairways, sump pit, telephone ducts, transformer room, water check meter cabinet, water meter cabinet and water meter rooms, for the

purposes of identification only shown coloured Yellow on the plans certified by the Authorized Person and annexed hereto;

- (c) such areas and facilities of and in the Land and the Development intended for common use and benefit of the Development as a whole; and
- (d) such other areas and facilities of and in the Land and the Development designated as Development Common Areas and Facilities in accordance with this Deed

PROVIDED THAT where appropriate, if any parts of the Land and the Development other than the Residential Accommodation and the Commercial Accommodation:-

- (i) are covered by paragraph (a) of the definition of “common parts” set out in section 2 of the Building Management Ordinance and/or
- (ii) fall within the categories as specified in Schedule 1 to the Building Management Ordinance and included under paragraph (b) of the definition of “common parts” set out in section 2 of the Building Management Ordinance,

then such parts shall be deemed to have been included as, and shall form part of, the Development Common Areas and Facilities, but excluding the Residential Common Areas and Facilities;

“DMC Manager”

means Jones Lang Lasalle Management Services Limited;

“Fire Safety Management Plan”

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

“FRR Wall”

means the full height wall having a fire-resistance rating of not less than - /30/30 adjacent to the entrance door of a Residential Unit with open kitchen which is for the purposes of identification only shown Hatched Red on the floor plans of the Residential Units certified by the Authorized Person and annexed hereto;

“Government”

means the Government of Hong Kong;

“Government Grant”

means, collectively :-

- (i) a Government lease dated 13 September 1855 between Queen Victoria of the one part and Pang Wah Ping of the other part in respect of Inland Lot No. 434 for a term of 999 years commencing from the 29th day of May 1855;
- (ii) a Government lease dated 13 September 1855 between Queen Victoria of the one part and Pang Wah Ping of the other part in respect of Inland Lot No. 435 for a term of 999 years commencing from the 29th day of May 1855;
- (iii) Government lease dated 1 August 1861 between Queen Victoria of the one part and Kok Yow Choy of the other part in respect of Inland Lot No. 658 for a term of 999 years commencing from the 26th day of December 1860; and
- (iv) Government lease dated 1 August 1861 between Queen Victoria of the one part and Kok Yow Choy of the other part in respect of Inland Lot No. 659 for a term of 999 years commencing from the 26th day of December 1860,

as varied or modified by an Offensive Trade Licence dated 25 November 2016 and registered in the Land Registry by Memorial No. 16122901220021, all of which shall include any subsequent extensions or modifications thereto or renewals thereof;

“Hong Kong”

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

“House Rules”

means the rules (including the Club Rules) supplemental to this Deed governing the Development or any part or parts thereof from time to time in force made in accordance with this Deed which shall not be inconsistent with or contravene this Deed, the Building Management Ordinance or the Government Grant;

“Land”

means all those pieces or parcels of grounds registered respectively in the Land Registry as Inland Lot No. 434, Section A of Inland Lot No. 435, Section B of Inland Lot No. 435, Section C of Inland Lot No. 435, The Remaining Portion of Inland Lot No. 435, Inland Lot No. 658, Section A of Inland Lot No. 659, Section B of Inland Lot No. 659, Section C of Inland Lot No. 659 and The Remaining Portion of Inland Lot No. 659, including any future extension(s) thereto;

“Manager”

means the DMC Manager or any other person who for the time being is, for the purposes of this Deed, managing the Development;

“Maintenance Manual for the Works and Installations”

means the maintenance manual for the Works and Installations as mentioned in Clause 10.9 as may from time to time be amended or revised in accordance with the provisions of this Deed;

“Non-enclosed Areas”

means:-

- (a) the balconies of the Residential Units which are for the purposes of identification only shown coloured Violet on the plans certified by the Authorized Person and annexed hereto and the covered areas underneath the said balconies; and
- (b) the utility platforms of the Residential Units which are for the purposes of identification only shown coloured Red on the plans certified by the Authorized Person and annexed hereto and the covered areas underneath the said utility platforms;

“Occupation Permit”

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

“Owner”

means and includes each person who for the time being appears from the records at the Land Registry to be the owner of an Undivided Share and every joint tenant or tenant in common of any such Undivided Share and its, his or their executors, successors and assigns and where any such Undivided Share has been assigned or charged by way of mortgage the word Owner shall also include a registered mortgagee in possession of such Undivided Share;

“Owners’ Committee”

means a committee of the Owners of the Development established under the provisions of these presents;

“Owners’ Corporation”

means the Owners’ corporation of the Land and the Development incorporated and registered under the Building Management Ordinance;

“Recreational Areas and Facilities”

means and includes the Club House and such recreational areas and facilities as are now or from time to time constructed by the First Owner and designed for such purposes as may be designated by the First Owner;

“Residential Accommodation”

means those parts of the Development constructed or to be constructed on the Land intended for residential use in accordance with the Building Plans;

“Residential Common Areas and Facilities”

means and includes:-

- (a) such part of the external walls of the Residential Accommodation of the Development (other than those forming part of the Commercial Accommodation and those forming part of the Development Common Areas and Facilities);
- (b) accessible lavatories, air handling unit rooms, air-conditioning platforms, cable ducts, electric meter rooms, fire services and sprinkler inlets, flat roofs (not forming part of any Unit), flushing water tank, hose reels, inaccessible flat roofs, lavatories, lifts, lift lobbies, lift overrun, pipe duct rooms, podium garden, potable and flushing water pump room, potable water tank, the Recreational Areas and Facilities, refuge area, refuse storage and material recovery rooms, reinforced concrete canopies, residential lift lobby, sprinkler control valves, staircases, telecommunications and broadcasting equipment room, top of bay window, town gas cabinet, for the purposes of identification only shown coloured Green on the plans certified by the Authorized Person and annexed hereto;
- (c) such areas and facilities of and in the Residential Accommodation intended for common use and benefit of the Residential Accommodation as a whole; and
- (d) such other areas and facilities of and in the Land and the Development designated as Residential Common Areas and Facilities in accordance with this Deed

PROVIDED THAT where appropriate, if any parts of the Residential Accommodation:-

- (i) are covered by paragraph (a) of the definition of “common parts” set out in section 2 of the Building Management Ordinance and/or
- (ii) fall within the categories as specified in Schedule 1 to the Building Management Ordinance and included under paragraph (b) of the definition of “common parts” set out in section 2 of the Building Management Ordinance,

then such parts shall be deemed to have been included as, and shall form part of, the Residential Common Areas and Facilities, but excluding the Development Common Areas and Facilities;

“Residential Unit”

means a self-contained unit (including (if any) windows, balustrade, railing, balcony, utility platform, flat roof, roof, stairhood appurtenant thereto) in the Residential Accommodation intended to be used for private residential occupation in accordance with the Building Plans, and “Residential Units” shall be construed accordingly;

“Schedule of Works and Installations”

means the FOURTH SCHEDULE hereto;

“Signboard”

means the external signboard (including the top and bottom thereof) erected on the external wall of 2/F, 3/F, 5/F and 6/F which for the purposes of identification only shown coloured Grey and marked “Signboard” on the plans certified by the Authorized Person and annexed hereto, which forms part of the Commercial Accommodation;

“Slope Maintenance Manual”

means the maintenance manual for the Slope Structures (if any) prepared in accordance with “Geoguide 5 – Guide to Slope Maintenance” issued by the Geotechnical Engineering Office (as amended or substituted from time to time);

“Slope Structures”

means all slopes, slope treatment works, earth retaining structures, retaining walls and other related structures (if any) within or outside the Land and the Development as required by the Government Grant to be maintained by the Owners, and for identification purpose only shown coloured Yellow on the slope structures plan certified as to their accuracy by the Authorized Person as at the date of this Deed as annexed hereto;

“Special Fund”

means the special fund maintained by the Manager pursuant to Clause 4.11;

“Sub-Deed”

means any sub-deed of mutual covenant to be entered into in respect of any part of the Land and the Development and “Sub-Deeds” shall be construed accordingly;

“Undivided Shares”

means those equal undivided parts or shares of and in the Land and of and in the Development allocated in accordance with the provisions of these presents or in accordance with any Sub-Deed;

“Unit”

means a Residential Unit, the Commercial Accommodation, or any part of the Development in respect of which a specific number of Undivided Share is allocated or sub-allocated in accordance with this Deed or any Sub-Deed save and except the Common Areas and Facilities and shall have the same definition as “flat” under the Building Management Ordinance;

“window”

in relation to any Residential Unit, means:-

- (a) any louvres and openable window of a Residential Unit; and
- (b) any non-openable window of a Residential Unit

together with all the glass of windows and window frames thereof (if any),
“**windows**” shall be construed accordingly;

“Works and Installations”

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

- 1.2 In this Deed, unless the context requires otherwise, any reference to a Clause or Schedule is a reference to the Clause of or the Schedule of this Deed.
- 1.3 Words importing the singular number shall include the plural number and vice versa, and words importing the masculine, feminine or neuter gender shall include the others of them and words importing persons shall include corporations and vice versa.
- 1.4 Clause headings are inserted for convenience only and for reference, and in no way define, limit, or describe the scope of this Deed or the intent of any provisions thereof.

SECTION 2: Rights and Obligations of Owners

- 2.1 The First Owner shall at all times hereafter subject to and with the benefit of the Government Grant have the sole and exclusive right and privilege to hold, use, occupy and enjoy to the exclusion of the First Assignee the whole of the Land and the Development together with the appurtenances thereto and the entire rents and profits thereof SAVE AND EXCEPT the First Assignee's Unit assigned to the First Assignee as aforesaid and SUBJECT TO the rights and privileges granted to the First Assignee by the aforesaid Assignment and SUBJECT TO the provisions of this Deed.
- 2.2 The First Assignee shall at all times hereafter subject to and with the benefit of the Government Grant and these presents have the full and exclusive right and privilege to hold, use, occupy and enjoy to the exclusion of the First Owner the First Assignee's Unit assigned to the First Assignee by the said Assignment together with the appurtenances thereto and the entire rents and profits thereof.
- 2.3 Each Undivided Share and the full and exclusive right and privilege to hold, use, occupy and enjoy any part of the Development shall be held by the person or persons from time to time entitled thereto subject to and with the benefit of the rights and privileges provided in the SECOND SCHEDULE hereto and the express covenants and provisions herein contained.
- 2.4 The Owner or Owners for the time being of each Undivided Share shall at all times hereafter be bound by and shall observe and perform the covenants, provisions and restrictions contained herein and in the THIRD SCHEDULE hereto and such Owner shall comply with the House Rules from time to time in force so far as the same are binding on such Owner.
- 2.5 Subject to the Government Grant, every Owner shall have the full right and liberty without reference to the other Owners or other persons who may be interested in any other Undivided Share or 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, lease, license or otherwise dispose of or deal with his Undivided Shares together with the exclusive right and privilege to hold, use, occupy and enjoy such part or parts of the Development which may be held therewith PROVIDED THAT any such sale, assignment, mortgage, lease or licence shall be made expressly subject to and with the benefit of this Deed.
- 2.6
 - (a) The right to the exclusive use, occupation and enjoyment of any part of the Land or the Development shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the Undivided Share with which the same is held PROVIDED THAT the provisions of this Clause shall not restrict the leasing or licensing of any Unit.
 - (b) The right to the exclusive use, occupation and enjoyment of balcony, utility platform, flat roof or roof appertaining to a Residential Unit shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from a Residential Unit with which such balcony, utility platform, flat roof or roof is held.

- (c) The right to the exclusive use, occupation and enjoyment of the Signboard shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the Undivided Share(s) allocated to the Commercial Accommodation.
- 2.7
- (a) Every Owner, his tenants, servants, agents, invitees and licensees shall have the full right and liberty (in common with the Manager and others having like rights) to go pass and repass over and along and to use the Development Common Areas and Facilities for all purposes connected with the proper use and enjoyment of the same.
 - (b) Every Owner with the exclusive right and privilege to hold, use, occupy and enjoy any Residential Unit together with his tenants, servants, agents, invitees and licensees shall have the full right and liberty (in common with the Manager and others having like rights) to go pass and repass over and along and to use the Residential Common Areas and Facilities for all purposes connected with the proper use and enjoyment of the same.
 - (c) In each of the above cases, the right and liberty shall be subject to the provisions of this Deed, the rights of the Manager and the House Rules.
- 2.8
- (a) Notwithstanding anything herein contained and without prejudice or any limitation to the rights reserved to the First Owner under this Deed and subject to observance and compliance with any applicable laws and regulations, an Owner of the Commercial Accommodation (or part(s) thereof) shall have the right to affix, erect, maintain, alter, renew, service, repair, replace and remove canopies and awnings onto the shop front or to grant the right to do so to any person

PROVIDED THAT any such canopies and awnings shall not unreasonably interfere with the use and enjoyment by other Owners of their Units and shall (unless the relevant part(s) of the Commercial Accommodation is owned by the First Owner) be subject to the prior written consent of the Manager who may in its discretion impose conditions to the consent and

FOR THIS PURPOSE, an Owner of the Commercial Accommodation (or part(s) thereof) shall have:-

- (i) the right to enter into and upon any part of the Land and the Development including all parts of the roofs, flat roofs, canopy(ies) and related parapet(s) (save and except those parts of the Land and the Development the sole and exclusive right to the use enjoyment and occupation of which have been assigned or otherwise disposed of to an Owner) with or without workmen and equipment at all reasonable times on giving prior written notice (save in case of emergency) and the right to affix or dock gondolas on such roofs, flat roofs, canopy(ies) and related parapet(s) for any or all of the purposes aforesaid; and
- (ii) the right to license or otherwise permit or grant the right so to do to any other person on such terms as the Owner of the Commercial

Accommodation (or part(s) thereof) may deem fit;

- (b) Notwithstanding anything herein contained and without prejudice or any limitation to the rights reserved to the First Owner under this Deed, the Owner of the Commercial Accommodation shall have the right to use the Signboard for all lawful purposes and, subject to compliance with the requirements of the Government authorities concerned and subject to the provisions of this Deed, shall have the right to affix, erect, maintain, alter, renew, service, repair, replace and remove signs or signboards (illuminated or otherwise), advertisements, banners, posters or placards or other things or structures or visual images of whatever kind and description on the Signboard or any part thereof for the purpose of advertising or to grant the right to do so to any person and FOR THIS PURPOSE, such Owner shall have:-
- (i) the right to enter into and upon any part of the Land and the Development including all parts of the roofs, flat roofs, canopy(ies) and related parapet(s) (whether forming part of a Unit) with or without workmen and equipment at all reasonable times on giving prior written notice (save in case of emergency) and the right to affix or dock gondolas on such roofs, flat roofs, canopy(ies) and related parapet(s) for any or all of the purposes aforesaid; and
- (ii) the right to license or otherwise permit or grant the right so to do to any other person on such terms as such Owner may deem fit

PROVIDED THAT the use and enjoyment by other Owners of their Units shall not be unreasonably interfered with.

- (c) An Owner of the Commercial Accommodation (or part(s) thereof) shall before carrying out any works in relation to his Unit and/or the Signboard effect and keep at all times during the carrying out of such works comprehensive third party insurance cover in such amount and scope as shall be determined by the Manager or the Owners' Committee and with a reputable insurance company as shall be approved by the Manager and endorsing the respective interests of the Manager, all Owners of the Development and the Owners' Corporation (if formed).

2.9 Upon execution of this Deed, the First Owner shall assign to the Manager as trustee for all Owners free of costs or consideration the Undivided Shares allocated to the Common Areas and Facilities together with the Common Areas and Facilities subject to and with the benefit of the Government Grant and this Deed. In the event the Manager shall resign or be dismissed or wound up or a receiving order made against it and another manager appointed in its stead in accordance with these presents, then the Manager or the liquidator or the receiver (as the case may be) shall assign free of costs or consideration such Undivided Shares together with the Common Areas and Facilities to the new manager upon the same trust PROVIDED THAT if an Owners' Corporation is formed it may require the Manager for the time being or its liquidator or receiver (as the case may be) to assign such Undivided Shares together with the Common Areas and Facilities and transfer the management responsibility to it free of costs or consideration and in which event the Manager shall assign free of costs the

Undivided Shares allocated to the Common Areas and Facilities together with the Common Areas and Facilities and transfer free of costs the management responsibility to the Owners' Corporation which shall hold such Undivided Shares on trust for the benefit of all the Owners.

SECTION 3: Additional Rights of the First Owner

3.1 The First Owner shall for as long as it remains the beneficial owner of any Undivided Share have the sole and absolute right in its absolute and unfettered discretion at any time or times and from time to time as it shall deem fit to do all or any of the following acts or deeds and to exercise all or any of the following rights:-

- (a) Without prejudice to the requirements of sub-clause (m) below, the right to change, amend, vary, add to or alter the Building Plans existing at the date hereof without the concurrence or approval of any Owner or any of the parties hereto but nothing herein shall absolve the First Owner from the requirements of obtaining the prior written consent of the Government authorities pursuant to the Government Grant

PROVIDED THAT:-

- (i) any such change, amendment, variation, addition or alteration shall not interfere with an Owner's right to hold, use, occupy and enjoy his Unit or unreasonably impede or restrict the access to and from his Unit;
 - (ii) any exercise of this right affecting the Common Areas and Facilities shall require the approval of the Owners' Committee (if any) (or the Owners' Corporation (when formed)); and
 - (iii) if any exercise of this right should affect the Common Areas and Facilities or any Unit, then any benefit, concession or compensation, whether monetary or otherwise, acquired as a result of such exercise of this right shall be accrued to all Owners or the relevant Owner or Owners concerned as the case may be.
- (b) Without prejudice to the requirements of (m) below, the right to apply to negotiate and agree with the Government to amend, vary or modify the Government Grant (including the plan(s) annexed thereto) in such manner as the First Owner may deem fit without the concurrence or approval of any Owner and to execute any documents in the name of the First Owner in connection therewith without the necessity of joining in any other Owner

PROVIDED THAT:-

- (i) the exercise of this right shall not interfere with an Owner's right to hold, use, occupy and enjoy his Unit or unreasonably impede or restrict the access to or from his Unit;
- (ii) any exercise of this right affecting the Common Areas and Facilities shall require the approval of the Owners' Committee (if any) (or the Owners' Corporation (when formed)); and
- (iii) If any exercise of this right should affect the Common Areas and Facilities or any Unit, then any benefit, concession or compensation, whether monetary or otherwise, acquired as a result of such exercise of

this right shall be accrued to all Owners or the relevant Owner or Owners concerned as the case may be.

- (c) At all times hereafter but subject to and with the benefit of the Government Grant and this Deed insofar as they relate thereto, the full and unrestricted right without interference by the Owners to assign, mortgage, charge, lease, license, franchise, part with possession of or otherwise deal with the Undivided Shares and the premises held therewith retained by the First Owner.
- (d) The right to enter into and upon all parts of the Land and the Development (save and except those parts of the Land and the Development the sole and exclusive right to the use enjoyment and occupation of which have been assigned or otherwise disposed of to an Owner) with all necessary equipment, plant and materials for the purposes of constructing or completing the other parts of the Development and may, for such purpose, carry out all such works in, under, on or over the Land and the Development (save and except those parts as aforesaid) as it may from time to time see fit. The right of the First Owner to enter the Land and the Development (save and except those parts as aforesaid) to carry out such works shall extend equally to all necessary contractors, agents, workers and other persons authorised by the First Owner. The First Owner in pursuance of such works may from time to time, subject to the Manager's prior written consent to such instructions, issue in writing to the Owners instructions as to the areas or parts of the Land and the Development (save and except those parts as aforesaid) that the Owners, their servants, agents or licensees may or may not use while such works are being carried out but the First Owner shall cause as little disturbance as reasonably possible to the Owners and shall not affect the use occupation and enjoyment of or prevent the access to or egress from any Unit of the Owners when carrying out such works and shall make good any damage or loss that may be caused by or arise from such construction works.
- (e) The right for the First Owner, his licensees or other third parties to affix, install, maintain, alter, renew and remove any one or more signs, masts, aerials, antennae, satellite dish, cables, telecommunication system, lightning conductors, lighting, chimneys, flues, pipes or any other structures, facilities and other fixtures of whatsoever kind on or within any part or parts of the Common Areas and Facilities and such other areas of the Development the exclusive right to hold, use, occupy and enjoy which has not been assigned and the right to enter into and upon any part of the Development (save and except those parts of the Development the sole and exclusive right to the use enjoyment and occupation of which have been assigned or otherwise disposed of to an Owner) with or without workmen and equipment at all reasonable times on giving prior written notice (save in case of emergency) for any or all of the purposes aforesaid

PROVIDED THAT:-

- (i) they shall not unreasonably interfere with the use and enjoyment by other Owners and occupiers of the Units owned or occupied by them;

- (ii) where any such sign, mast, aerial, antennae, satellite dish, cables, telecommunication system, lightning conductor, lighting, chimneys, flues, pipes or any other structures, facilities or other fixtures are located within the Common Areas and Facilities, the exercise of such rights shall be subject to the approval by a resolution of Owners at an Owners' meeting convened under this Deed and they shall be for the common use and enjoyment of all the Owners entitled to use such Common Areas and Facilities and any consideration received therefor shall be credited to the Special Fund for the benefit of all the Owners.
- (f) The right to change the name of the Development at any time within two years from the date of this Deed and to execute any documents in the name of the First Owner in connection therewith without the necessity of joining in any other Owner upon giving six months' notice to the Owners and shall not be liable to any Owner or other person having an interest in the Development for any damages, claims, costs or expenses resulting therefrom or in connection therewith.
- (g) The right to dedicate to the public any part or parts of the Land and the Development vested in the name of the First Owner for the purposes of passage with or without vehicles or in such manner as the First Owner shall in its absolute discretion deem fit

PROVIDED THAT:-

- (i) in making such dedication the First Owner shall not interfere with an Owner's right to hold, use, occupy and enjoy his Unit or unreasonably impede or restrict an Owner's right of access to and from his Unit;
- (ii) if any exercise of this right should affect the Common Areas and Facilities or any Unit, then any benefit, concession or compensation, whether monetary or otherwise, acquired as a result of such exercise of this right shall be accrued to all Owners or the relevant Owner or Owners concerned as the case may be; and
- (iii) if any exercise of this right should affect the Common Areas and Facilities, the exercise of such right shall be subject to the approval of the Owners' Committee (if any) (or the Owners' Corporation (when formed)).
- (h) The right to adjust or re-align the boundary of the Land and to negotiate and agree with the Government in connection therewith and for that purpose to effect any surrender, extension or grant

PROVIDED THAT:-

- (i) such adjustment or re-alignment shall not adversely affect the right of the Owners to hold, use, occupy and enjoy their Units;
- (ii) if any exercise of this right should affect the Common Areas and

Facilities or any Unit, then any benefit, concession or compensation, whether monetary or otherwise, acquired as a result of such exercise of this right shall be accrued to all Owners or the relevant Owner or Owners concerned as the case may be; and

- (iii) if any exercise of this right should affect the Common Areas and Facilities, the exercise of such right shall be subject to the approval of the Owners' Committee (if any) (or the Owners' Corporation (when formed)).
- (i) The right without the necessity of making any Owner entitled to the exclusive use occupation and enjoyment of any part or parts of the Land or the Development outside the part or parts of the Land or the Development in question a party thereto to enter into Sub-Deed in respect of any part or parts of the Development still owned by the First Owner PROVIDED THAT such Sub-Deeds shall not conflict with the provisions of this Deed nor affect the rights, interests or obligations of the other Owners bound by any other previous Sub-Deeds.
- (j) Subject to the approval of the Owners' Committee (if any) or the Owners' Corporation (when formed), the right to obtain the grant of any rights, rights of way or easements or quasi-easements (including but not limited to the right to use any roads, passageways, walkways, footpaths, pedestrian bridges, gardens, open spaces, nullahs and culverts, recreational areas and facilities, sewage treatment plants and facilities, refuse collection and disposal areas and facilities, drainage system and gas, water and electricity storage, transformation and supply systems) over any adjoining or neighbouring lands or to obtain any similar rights by modification of the Government Grant or licence for the benefit of the Land and the Development on such terms and conditions and from such persons as the First Owner shall deem fit and all expenses shall be paid out of the management funds.
- (k) Subject to the approval by a resolution of Owners at an Owners' meeting convened under this Deed, the right to grant any rights, rights of way or easements or quasi-easements (including but not limited to the right to use any roads, passageways, walkways, footpaths, pedestrian bridges, gardens, open spaces, nullahs and culverts, recreational areas and facilities, sewage treatment plants and facilities, refuse collection and disposal areas and facilities, drainage system and gas, water and electricity storage, transformation and supply systems) over any part or parts of the Common Areas and Facilities or to grant any similar rights by licence for the benefit of any adjoining or neighbouring lands on such terms and conditions and to such persons as the First Owner shall deem appropriate PROVIDED THAT any beneficial receipt from the exercise of such right shall form part of the management funds.
- (l) Subject to the approval by a resolution of the Owners' Committee, the right to install in or affix to or use or operate on (or permit or grant the right to any person to install in or affix to or use or operate on) the Common Areas and Facilities or any part thereof any broadcast reception, information distribution or communications system including, without limitation, satellite master

antenna system, communal aerial broadcast distribution system, microwave distribution system, cable and wireless communications systems, telecommunication system and transmission and transponder systems which are for the common use and benefit of the Owners, together with the right to repair, maintain, service, remove or replace the same

PROVIDED THAT:-

- (i) the Owners' rights to hold, use, occupy and enjoy their Units shall not be unreasonably affected;
 - (ii) access to and from the Units shall not be impeded or restricted; and
 - (iii) any payment received for the said approval shall be credited to the Special Fund.
- (m) Subject to prior approval by a resolution of the Owners' Committee, the right to designate and declare by deed any area or part or parts of the Development the sole and exclusive right to hold, use, occupy and enjoy which, and to receive the rents and profits in respect of which, is then beneficially owned by the First Owner to be additional Common Areas and Facilities whereupon with effect from such designation and declaration such additional Common Areas and Facilities shall form part of the Common Areas and Facilities as provided in this Deed and the Owners shall contribute to the maintenance and upkeep of the same

PROVIDED THAT:-

- (i) the First Owner shall not have the right to re-convert or re-designate such additional Common Areas and Facilities to its own use or benefit save as otherwise provided for when the area in question was so converted or designated; and
 - (ii) in making such designation the First Owner shall not interfere with or adversely affect the right of any Owner to hold, use, occupy and enjoy his Unit.
- (n) Without prejudice to any other rights of the First Owner provided in this Deed and subject to the approval by a resolution of the Owners' Committee, the right to add to any part of the Common Areas and Facilities

PROVIDED THAT:-

- (i) an Owner's rights and interest shall not be adversely affected; and
- (ii) no such addition shall give to the Owners any right of action against the First Owner;
- (iii) such addition shall comply with the requirements of the Government Grant.

3.2 The Owners hereby jointly and severally and irrevocably APPOINT the First Owner as their attorney and grant unto the First 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 and deed deliver such deed or deeds and to sign such documents or instruments as may be necessary for the exercise of or incidental to the First Owner's rights mentioned in Clause 3.1 above 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 appointment and grant and to ratify and confirm all that the First Owner as such attorney shall lawfully do or cause to be done by virtue thereof and that the power of attorney hereby given shall bind the executor(s) and the administrator(s) and the successor(s) and assign(s) of such Owners and shall not be revoked by the death incapacity bankruptcy or winding-up (as the case may be) of any of such Owners.

3.3 Every Assignment by an Owner of the Undivided Shares and his Unit shall include a covenant in substantially the following terms:-

“The Purchaser covenants with the Vendor for itself and as agent for POWERFUL WORLD LIMITED (the “**Company**” which expression shall include its successors assigns (other than the Purchaser) and attorneys) to the intent that such covenants shall run with the Property and bind the Property and the owner or owners thereof for the time being and other person or persons deriving title under the Purchaser (each and all of whom including the Purchaser is and are hereinafter included in the expression “**the Covenancing Purchaser**”) and shall enure for the benefit of the Development and be enforceable by the Company and its successors and assigns that:-

- (i) the Covenancing Purchaser confirms and acknowledges the covenants, rights, entitlements, exceptions and reservations granted and conferred on the Company under Clause 3.1 of a Deed of Mutual Covenant and Management Agreement dated the day of and the Covenancing Purchaser shall not do or permit anything to be done which will in any way affect or hinder the exercise of the said rights by the Company;
- (ii) the Covenancing Purchaser shall, if required by the Company, do everything necessary, including giving express consents in writing to the exercise of the said rights by the Company, to facilitate the exercise of the said rights by the Company;
- (iii) the Covenancing Purchaser hereby expressly and irrevocably appoints the Company to be its attorney and grants unto the Company the full right power and authority to give all consents and to do all acts deeds matters and things and to execute and sign seal and as the acts and deeds of the Covenancing Purchaser deliver such deeds 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 the Company as aforesaid with the full power of delegation and the Covenancing

Purchaser hereby further covenants to do all acts deeds matters and things and to execute sign seal and deliver such deed or deeds and to sign such documents or instruments as may be necessary to give effect to such appointment and grant; and

- (iv) in the event of the Covenanting Purchaser selling or otherwise disposing of the Property, the Covenanting Purchaser shall sell or otherwise dispose of the Property upon the condition that the purchaser or assignee thereof shall enter into the same binding covenants on terms similar in scope and extent as the covenants (i), (ii) and (iii) hereinbefore contained

PROVIDED that upon the Covenanting Purchaser complying with and performing the covenant (iv) hereinbefore contained, the Covenanting Purchaser shall not be liable for any breach of the covenants (i), (ii) and (iii) hereinbefore contained which may happen after the Covenanting Purchaser shall have sold or otherwise disposed of the Property in respect whereof such purchaser or assignee shall have entered into such covenants similar in scope and extent as the covenants (i), (ii) and (iii) hereinbefore contained.”

SECTION 4: Manager and Management Expenses

- 4.1 (a) Subject to the provisions of the Building Management Ordinance, the parties hereto have agreed with the DMC Manager for the DMC Manager to undertake the management, operation, servicing, maintenance, repair, renovation, improvement, replacement, security and insurance of the Land and the Development and the Common Areas and Facilities therein (all or any of which activities are where not inapplicable herein included under the word “**management**”) from the date of this Deed for an initial term of not exceeding two (2) years and such appointment shall continue until terminated as provided in this Clause.
- (b) (i) No resignation of the Manager shall take effect unless he has previously given not less than 3 months’ notice in writing of its intention to resign:-
- (A) by sending such notice to the Owners’ Committee; or
 - (B) where there is no Owners’ Committee, by giving such a notice to each of the Owners and by displaying such a notice in a prominent place in the Development.
- (ii) The notice referred to in sub-clause (b)(i)(B) above may be given:-
- (A) by delivering it personally to the Owner; or
 - (B) by sending it by post to the Owner at his last known address; or
 - (C) by leaving it at the Owner’s Unit or depositing it in the letter box for that Unit; or
- (c) Prior to the formation of the Owners’ Corporation, the Owners’ Committee may at any time terminate the Manager’s appointment without compensation by a resolution passed by a majority of the votes of Owners voting either personally or by proxy in an Owners’ meeting and supported by Owners of not less than 50% of all the Undivided Shares in aggregate (excluding those Undivided Shares allocated to the Common Areas and Facilities) and by giving the Manager not less than 3 months’ notice in writing.
- (d) (i) Subject to sub-clause (d)(iv) below, at a general meeting convened for the purpose, the Owners’ Corporation may, by a resolution:-
- (A) passed by a majority of the votes of the Owners voting either personally or by proxy; and
 - (B) supported by the Owners of not less than 50% of the Undivided Shares in aggregate
- terminate by notice the DMC Manager’s appointment without compensation.

- (ii) A resolution under sub-clause (d)(i) above shall have effect only if:-
 - (A) the notice of termination of appointment is in writing;
 - (B) provision is made in the resolution for a period of not less than 3 months notice or, in lieu of notice, provision is made for an agreement to be made with the DMC Manager for the payment to it of a sum equal to the amount of remuneration which would have accrued to it during that period;
 - (C) the notice is accompanied by a copy of the resolution terminating the DMC Manager's appointment; and
 - (D) the notice and the copy of the resolution is given to the DMC Manager within 14 days after the date of the meeting.
- (iii) The notice and the copy of the resolution referred to in sub-clause (d)(ii)(D) may be given:-
 - (A) by delivering them personally to the DMC Manager; or
 - (B) by sending them by post addressed to the DMC Manager at its last known address.
- (iv) For the purposes of sub-clause (d)(i):-
 - (A) only the Owners of Undivided Shares who pay or who are liable to pay the management expenses relating to those Undivided Shares shall be entitled to vote;
 - (B) the reference in sub-clause (d)(i)(B) to **“the Owners of not less than 50% of the Undivided Shares in aggregate”** shall be construed as a reference to the Owners of not less than 50% of the Undivided Shares in aggregate who are entitled to vote.
- (v) If a contract for the appointment of a Manager other than the DMC Manager contains no provision for the termination of the Manager's appointment, sub-clauses (d)(i), (ii), (iii) and (iv) above shall apply to the termination of the Manager's appointment as they apply to the termination of the appointment of the DMC Manager's appointment.
- (vi) Sub-clause (d)(v) above operates without prejudice to any other power there may be in a contract for the appointment of a Manager other than the DMC Manager to terminate the appointment of the Manager.
- (vii) If a notice to terminate a Manager's appointment is given under this sub-clause (d):-
 - (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 paragraph (A) above by the time the notice expires, the Owners' Corporation may appoint another Manager and, if it does so, the Owners' Corporation shall have exclusive power to appoint any subsequent Manager.
 - (viii) If any person has given an undertaking in writing to, or has entered into an agreement with, the Government to manage or be responsible for the management of the Development, and the Owners' Corporation has appointed a Manager under sub-clause (d)(vii)(B), the Owners' Corporation shall be deemed to have given to that person an instrument of indemnity under which the Owners' Corporation shall be liable to indemnify that person in respect of any act or omission by the Manager appointed under that sub-clause (d)(vii)(B) that may otherwise render that person liable for a breach of that undertaking or agreement.
 - (ix) This sub-clause (d) is subject to any notice relating to the Development that may be published by the Secretary for Home Affairs under section 34E(4) of the Building Management Ordinance but does not apply to any single manager referred to in that section.
 - (e) The appointment of the Manager shall be terminated if the Manager is wound up or has a receiving order made against it.
- 4.2
- (a) Subject to sub-clause (b) below, if the Manager's appointment ends for any reason, it shall, as soon as practicable after its appointment ends, and in any event within 14 days of the date its appointment ends, deliver to the Owners' Committee (if any) or the Manager appointed in its place any movable property in respect of the control, management and administration of the Development that is under its control or in its custody or possession, and that belongs to the Owners' Corporation (if any) or the Owners.
 - (b) If the Manager's appointment ends for any reason, it shall within 2 months of the date its appointment ends:-
 - (i) prepare:-
 - (A) an income and expenditure account for the period beginning with the commencement of the financial year in which its appointment ends and ending on the date its appointment ended; and
 - (B) a balance sheet as at the date its appointment ended

and shall arrange for that account and balance sheet to be audited by an accountant or by some other independent auditor specified in a resolution of the Owners' Committee (if any) or, in the absence of such

specification, by such accountant or other independent auditor as may be chosen by the Manager; and

- (ii) deliver to the Owners' Committee (if any) or the Manager appointed in its place any books or records of accounts, papers, documents and other records which are required for the purposes of sub-clause (b)(i) above and have not been delivered under sub-clause (a) above.

Notwithstanding anything hereinbefore contained, it is hereby declared and agreed that subject to the provisions of the Building Management Ordinance, at no time shall the Land and the Development be without a responsible duly appointed manager to manage the Land and the Development or any part or parts thereof.

- 4.3
- (a) The annual remuneration of the Manager for the performance of its duties under this Deed shall be 10% of the total annual expenses, costs and charges necessarily and reasonably incurred in the management of the Land and the Development (excluding the Manager's remuneration and any capital expenditure or expenditure drawn out of the Special Fund) payable by the Owners according to the annual budget or revised budget for the year in question to be prepared as provided in Clauses 4.4 to 4.6.
 - (b) The Manager's remuneration shall be the net remuneration of the Manager for its services as Manager and shall not include the costs, expenses and fees for any staff, facilities, legal, professional, accounting and administration services and all disbursements and out-of-pocket expenses properly incurred in the course of carrying out its duties under this Deed which said costs, expenses, fees and disbursements shall be a direct charge on the management funds.
 - (c) Payment of the Manager's remuneration hereunder shall be in advance by 12 equal calendar monthly instalments each such payment to be in the sum of 1/12th of the annual remuneration of the Manager and any adjustment payment or deduction that needs to be made to bring the amount paid to the Manager by way of remuneration for the year in question to the correct amount for such year will be made within 21 days from the completion of the auditing of the management accounts for such year as provided in Clause 4.29
 - (d) No variation of the percentage of the annual remuneration of the Manager may be made except with the approval by a resolution of Owners duly passed at a meeting of Owners convened under this Deed.
 - (e) By a resolution of Owners at an Owners' meeting convened under this Deed, any capital expenditure or expenditure drawn out of the Special Fund may be included for calculating the Manager's remuneration at the rate applicable under sub-clause (a) or at any lower rate as considered appropriate by the Owners.
- 4.4
- (a) Subject to sub-clauses (c), (e), (f) and (h) below, the total amount of management expenses payable by the Owners any period of 12 months adopted by the Manager as the financial year in respect of the management of the Development shall be the total proposed expenditure during that year as

specified by the Manager in accordance with sub-clause (b) below.

- (b) The Manager shall prepare the annual budget for the ensuing year in consultation with the Owners' Committee (if formed) except the first budget which shall cover the period from the date of this Deed until the following 31st day of December. In respect of each financial year, the Manager shall:-
 - (i) prepare a draft budget setting out the proposed expenditure during the financial year;
 - (ii) send a copy of the draft budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the draft budget in a prominent place in the Development, and cause it to remain so displayed for at least 7 consecutive days;
 - (iii) send or display, as the case may be, with the copy of the draft budget a notice inviting each Owner to send his comments on the draft budget to the Manager within a period of 14 days from the date the draft budget was sent or first displayed;
 - (iv) after the end of that period, prepare a budget specifying the total proposed expenditure during the financial year;
 - (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, and cause it to remain so displayed for at least 7 consecutive days.
- (c) Where, in respect of a financial year, the Manager has not complied with sub-clause (b) above 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 it has so complied, be the total proposed expenditure specified in the budget for that financial year, and the amount that the Owners shall contribute towards the management expenses shall be calculated and adjusted accordingly.
- (d) Where a budget has been sent or displayed in accordance with sub-clause (b)(v) above and the Manager wishes to revise it, it shall follow the same procedures in respect of the revised budget as apply to the draft budget and budget by virtue of sub-clause (b) above.
- (e) Where a revised budget is sent or displayed in accordance with sub-clause (d) above, the total amount of the management expenses for that financial year shall be the total expenditure or proposed expenditure specified in the revised budget and the amount that Owners shall contribute towards the management expenses shall be calculated and adjusted accordingly.

- (f) If there is an Owners' Corporation and, within a period of 1 month from the date that a budget or revised budget for a financial year is sent or first displayed in accordance with sub-clause (b) or (d), the Owners' Corporation decides, by a resolution of the Owners, to reject the budget or revised budget, as the case may be, the total amount of management expenses for the financial year shall, until another budget or revised budget is sent or displayed in accordance with sub-clause (b) or (d) 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.
- (g) If any Owner requests in writing the Manager to supply him with a copy of any draft budget, budget or revised budget, the Manager shall, on payment of a reasonable copying charge, supply a copy to that person.
- (h) For the purpose of this Clause 4.4, "**expenditure**" means all costs, charges and expenses to be borne by the Owners, including the remuneration of the Manager.

4.5 The annual budget shall cover all expenses, costs and charges necessarily and reasonably incurred in the management of the Land and the Development including but without prejudice to the generality of the foregoing:-

- (a) the maintenance, operation, repair and cleansing of all Common Areas and Facilities and the lighting thereof and the provisions and operation of emergency generators and lighting for the Common Areas and Facilities;
- (b) the cultivation, irrigation and maintenance of the lawns and planters and landscaped areas on the Common Areas and Facilities;
- (c) the cost of all electricity, gas, water, telephone and other utilities serving the Common Areas and Facilities;
- (d) the provision of security guard services for the Development and the cost of employing caretakers, watchmen, cleaners, lift operators and attendants and such other staff to manage and administer the Common Areas and Facilities;
- (e) the cost and expense of maintaining such areas or drains and channels whether within or outside the Land that are required to be maintained under the Government Grant;
- (f) the Government rent payable under the Government Grant (but only if no apportionment or separate assessments have been made for individual Units);
- (g) the remuneration of the Manager calculated in accordance with this Deed for providing its services hereunder;
- (h) insurance of the Common Areas and Facilities up to the full new reinstatement value in respect of loss or damage by fire and other risks, insurance covering

the Manager against public liability, occupiers' liability and employees' liability and any other insurance policy considered necessary by the Manager;

- (i) a sum for contingencies;
- (j) legal and accounting fees and all other professional fees and costs properly incurred by the Manager in carrying out the services provided under this Deed;
- (k) the costs of removal and disposal of rubbish from the Development;
- (l) all costs incurred in connection with the Common Areas and Facilities;
- (m) any tax payable by the Manager on any of the sum held by it under the provisions of this Deed Provided however that any tax payable on the Manager's remuneration shall be borne and paid by the Manager; and
- (n) the costs lawfully incurred or to be incurred by the Manager in carrying out maintenance, repair and any other works in respect of the Slope Structures.

4.6 The annual budget shall be divided into the following parts:-

- (a) The first part shall cover all expenditure which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) is to be expended for the benefit of all Owners or required for the proper management of the Land and the Development, the Development Common Areas and Facilities; and
- (b) The second part shall cover all expenditure which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) is specifically referable to the Residential Common Areas and Facilities.

PROVIDED THAT:-

- (1) In the event that a Sub-Deed is entered into in respect of any part of the Development and in the Sub-Deed any areas and facilities are designated as common areas and common facilities as a consequence of which the same thereby become part of the Common Areas and Facilities (other than the existing designated Common Areas and Facilities), a new section of the annual budget shall be established by the Manager such part to cover all estimated expenditure which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) is specifically referable to such common areas and common facilities and such expenditure shall be borne by the Owners of that part of the Development; and
- (2) Subject to the approval of the Owners' Committee (or the Owners' Corporation, if formed), if the Manager is of the opinion that the adopted annual budget and/or the sharing of the amounts of management expenses assessed under any part of the adopted annual budget in accordance with the provisions of this Deed may lead to or result in any Owner or Owners of any part or parts of the Development unfairly or inequitably paying some higher or

lesser contributions, the Manager shall be entitled to modify any adopted annual budget in such manner as the Manager may (but subject to compliance with the procedures applicable to the draft annual budget, the annual budget and the revised annual budget as provided in this Deed) think fit and to prepare new budget in the modified manner as aforementioned and the modified budget shall be binding (save for manifest error) on all Owners and PROVIDED THAT the Manager's determination of the amount of contribution payable by each Owner as aforesaid shall (in the absence of manifest error) be conclusive and binding on all Owners.

4.7 Each Owner shall contribute to the budgeted management expenses in the following manner:-

- (a) Each Owner of a Unit shall contribute his due proportion of the total amount assessed under the first part of the annual budget which proportion shall be equal to the Undivided Shares of his Unit divided by the total Undivided Shares of the Development (excluding the Undivided Shares allocated to the Common Areas and Facilities); and
- (b) Each Owner of a Residential Unit shall contribute his due proportion of the total amount assessed under the second part of the annual budget which proportion shall be equal to the Undivided Shares of his Residential Unit divided by the total Undivided Shares of all Residential Units;

PROVIDED THAT:-

- (1) No Owner may be called upon to pay more than his appropriate share of the management expenses, having regard to the number of Undivided Shares allocated to his Unit.
- (2) The First Owner shall make payments and contributions for those expenses which are of a recurrent nature in respect of those Units and Undivided Shares unsold.
- (3) All outgoings including management fees and any Government rent up to and inclusive of the date of the first assignment of the Units shall be paid by the First Owner. An Owner shall not be required to make any payment or reimburse the First Owner for these outgoings.
- (4) The First Owner shall not be obliged to make the payments and contributions as aforesaid in respect of Undivided Shares allocated to any part(s) of the Development the construction of which has not been completed except to the extent that such uncompleted part(s) of the Development benefit(s) from the provisions of this Deed as to management and maintenance (including but not limited to the costs as to the security afforded by the management of the completed part(s)) of the Development.

4.8 For the avoidance of doubt, it is hereby expressly provided that the First Owner's liability to make the aforesaid payments shall in no way be reduced by reason of the fact that any of the Units remains unsold and each Owner shall be personally liable to

make the above payment to the Manager whether or not his Unit is vacant or occupied and whether or not it has been let or leased to tenant or is occupied by the Owner himself or any other person.

- 4.9 If the total contributions receivable as aforesaid under the annual budget by the Manager shall in the opinion of the Manager be insufficient to meet the costs and expenses for such management and services then each Owner to whom the annual budget applies shall make good a due proportion of the estimated deficiency by making a further contribution to the Manager such further contribution being calculated in the same manner as in Clause 4.7 and shall be payable to the Manager monthly in advance from the date specified in the written notices given by the Manager to the Owners.
- 4.10 Notwithstanding anything herein contained and for the avoidance of any doubt, the management expenses payable by the Owners in accordance with this Deed or any relevant Sub-Deed shall not include:-
- (a) Any sum attributable or relating to the cost of completing the construction of the Development or any part thereof or any of the Common Areas and Facilities therein incurred prior to the date of this Deed all of which sums shall be borne solely by the First Owner (which expression shall for the purpose of this Clause exclude its assigns);
 - (b) All existing and future taxes, rates, assessments, property tax, water rates (if separately metered), Government rent payable under the Government Grant which has been separately assessed and charged by the Government against each Owner and outgoings of every description for the time being payable in respect of any Unit which shall be borne by the Owner for the time being thereof;
 - (c) The expenses for keeping in good and tenantable repair and condition of the main structure, the external and interior fixtures and fittings, walls, floors, windows, doors, flat roof (if any) and roof (if any) of any Unit together with the plumbing, electrical installations, plant, equipment, apparatus, installations or services thereof not forming part of the Common Areas and Facilities which shall be solely borne by the Owner for the time being of such Unit.
- 4.11 (a) Subject to sub-clauses (b) and (c) below, the Manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed the sum of HK\$200,000.00 or such other sum in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette unless:-
- (i) the supplies, goods or services are procured by invitation to tender; and
 - (ii) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance.
- (b) Subject to sub-clause (c) below, the Manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which

exceeds or is likely to exceed a sum which is equivalent to 20% of the annual budget or such other percentage in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette unless:-

- (i) if there is an Owners' Corporation:-
 - (A) the supplies, goods or services are procured by invitation to tender;
 - (B) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance; and
 - (C) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a general meeting of the Owners' Corporation, and the contract is entered into with the successful tenderer; or
- (ii) if there is no Owners' Corporation:-
 - (A) the supplies, goods or services are procured by invitation to tender;
 - (B) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance; and
 - (C) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a meeting of Owners convened and conducted in accordance with this Deed, and the contract is entered into with the successful tenderer.
- (c) Sub-clauses (a) and (b) above do not apply to any supplies, goods or services which but for this sub-clause would be required to be procured by invitation to tender (referred to in this sub-clause as "**relevant supplies, goods or services**"):-
 - (i) where there is an Owners' Corporation, if:-
 - (A) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the Owners' Corporation by a supplier; and
 - (B) the Owners' Corporation decides by a resolution of the Owners passed at a general meeting of the Owners' Corporation that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender; or
 - (ii) where there is no Owners' Corporation, if:-
 - (A) the relevant supplies, goods or services are of the same type as

any supplies, goods or services which are for the time being supplied to the Owners by a supplier; and

- (B) the Owners decide by a resolution of the Owners passed at a meeting of Owners convened and conducted in accordance with this Deed that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender.
- (d) Subject to provisions in Schedule 7 to the Building Management Ordinance, the procurement of supplies, goods, or services by the Owners' Committee that involves amounts in excess of HK\$200,000 (or such other sum as the Secretary for Home Affairs may specify by notice in the Gazette) or an average annual expenditure of more than 20% of the annual budget (or such other percentage as the Secretary for Home Affairs may specify by notice in the Gazette), whichever is the lesser, must be by invitation to tender and the standards and guidelines as may be specified in a Code of Practice referred to in section 20A of the Building Management Ordinance will apply to the Owners' Committee with any appropriate variations.
- 4.12 Except with the prior approval by a resolution of Owners at an Owners' meeting convened under this Deed, the Manager shall not carry out any improvements to facilities or services which involves expenditure in excess of 10% of the current annual management budget.
- 4.13 (a) There shall be established and maintained and prepared by the Manager a special fund (the "**Special Fund**") with the following separate accounts for different component parts of the Common Areas and Facilities:-
- (i) A separate account of the Special Fund designated for the Development Common Areas and Facilities which shall be applied towards payment of expenditure of a capital nature or of a kind not expected to be incurred annually, which includes but is not limited to, expenses for the renovation, improvement and repair of the Development Common Areas and Facilities, the purchase, setting up, replacement, improvement and addition of installations, systems, equipment, tools, plants and machineries for the Development Common Areas and Facilities and the costs of the relevant investigation works and professional services. This part of the Special Fund shall be held by the Manager as trustee for all Owners for the time being and such fund shall not be refundable or transferable.
 - (ii) A separate account of the Special Fund designated for the Residential Common Areas and Facilities which shall be applied towards payment of expenditure of a capital nature or of a kind not expected to be incurred annually, which includes but is not limited to, expenses for the renovation, improvement and repair of the Residential Common Areas and Facilities, the purchase, setting up, replacement, improvement and addition of installation, system, equipment, tools, plant and machineries for the Residential Common Areas and Facilities

and the costs of the relevant investigation works and professional services. This part of the Special Fund shall be held by the Manager as trustee for the Owners of all Residential Units for the time being and such fund shall not be refundable or transferable.

- (b) Except where the First Owner has made payments in accordance with sub-clause (c) below,
 - (i) each Owner being the first assignee of his Unit shall upon the assignment of his Unit from the First Owner pay to the Manager an initial contribution to the relevant part of the Special Fund designated for the Development Common Areas and Facilities an amount equivalent to $2/12^{\text{th}}$ of the first part of the first year's budgeted management expenses payable in respect of his Unit under Clause 4.7(a) above; and
 - (ii) each Owner being the first assignee of his Residential Unit shall upon the assignment of his Residential Unit from the First Owner pay to the Manager an initial contribution to the relevant part of the Special Fund designated for the Residential Common Areas and Facilities an amount equivalent to $2/12^{\text{th}}$ of the first part of the first year's budgeted management expenses payable in respect of his Unit under Clause 4.7(b) above.
- (c) The First Owner shall in respect of any Units which have been completed and remain unsold for three (3) months after the date of this Deed make the initial contribution to the Special Fund in the respective amount specified in sub-clause (b) above.
- (d) Each Owner shall also on demand pay to the Manager such further periodic contributions to the Special Fund payable in respect of his Unit. The amount to be contributed in each financial year and the time when those contributions will be payable will be determined by a resolution of the Owners at an Owners' meeting convened under this Deed. If there is an Owners' Corporation, the Owners' Corporation shall determine, by a resolution of the Owners, the amount to be contributed to the Special Fund by the Owners in any financial year, and the time when those contributions shall be payable.
- (e) The Manager shall open and maintain at a bank within the meaning of section 2 of the Banking Ordinance (Cap 155) an interest-bearing account, the title of which shall refer to the Special Fund for the Development, and shall use that account exclusively for the purpose specified in sub-clause (a) above.
- (f) Without prejudice to the generality of sub-clause (e) above, if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by it from or on behalf of the Owners' Corporation in respect of the Special Fund.
- (g) The Manager shall display a document showing evidence of any account

opened and maintained under sub-clauses (e) or (f) above in a prominent place in the Development.

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

4.14 Except where the First Owner has made payments in accordance with sub-clause (f) below:-

- (a) Each Owner being the first assignee of his Unit shall upon the assignment of his Unit from the First Owner deposit with the Manager as security for the due payment of all amounts which may be or become payable by him under this Deed a sum equal to 3/12th of the first year's budgeted management expenses payable in respect of his Unit which deposit or balance thereof (as the case may be) shall be non-interest bearing and non-refundable but transferable and shall not be set off against any contribution payable by him under this Deed

PROVIDED THAT in the event that there is an increase in the monthly contribution payable by the Owners as determined by the Manager under this Deed, the Manager shall have right at its absolute discretion to require the Owners to pay to the Manager by way of an increase in the said deposit a sum proportional thereto in order that such deposit shall always be equal to 3/12th of the then current year's budgeted management expenses payable in respect of the relevant Units.

- (b) Each Owner being the first assignee of his Unit shall upon the assignment of his Unit from the First Owner pay to the Manager in advance a sum equal to 1/12th of the first year's budgeted management expenses payable in respect of his Unit which shall be non-refundable and non-transferable.
- (c) Each Owner being the first assignee of a Residential Unit shall upon the assignment of his Residential Unit from the First Owner pay to the Manager a debris removal fee which shall be non-refundable and non-transferable of not more than a sum equal to 1/12th of the first year's budgeted management expenses payable in respect of his Unit in such sum as reasonably determined by the Manager for the removal of debris arising from decoration works carried out in his Residential Unit. The debris removal fee not used to pay for debris collection or removal shall be credited to the Special Fund.
- (d) Each Owner being the first assignee of a Residential Unit shall upon the assignment of his Residential Unit from the First Owner pay to the Manager

his due share (to be decided by the number of Undivided Shares allocated to his Residential Unit) of the deposits paid for public water and electricity meters and for the supply of other utilities to the Residential Common Areas and Facilities and which deposits or balance thereof (as the case may be) shall be non-interest bearing and non-refundable but transferable.

- (e) Each Owner being the first assignee of a Unit shall upon the assignment of his Unit from the First Owner pay to the Manager his due share (to be decided by the number of Undivided Shares allocated to his Unit) of the deposits paid for public water and electricity meters and for the supply of other utilities to the Development Common Areas and Facilities and which deposits or balance thereof (as the case may be) shall be non-interest bearing and non-refundable but transferable.
- (f) The First Owner shall pay the deposit under sub-clause (a) and the debris removal fee under sub-clause (c) in respect of the Units the construction of which have been completed and which remain unsold for 3 months after the date of this Deed.

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

4.16 Notwithstanding anything contained in these presents the Manager shall be entitled in its discretion to charge a reasonable sum as consideration for granting and processing any consent required from the Manager pursuant to these presents PROVIDED THAT such consideration shall be credited to the Special Fund.

4.17 (a) The Manager may collect from licensees, tenants and other occupiers of the Common Areas and Facilities or any part thereof, such sum or sums as the Manager shall reasonably determine and such sum or sums collected shall be paid into and form part of the management funds for the benefit of all Owners.

(b) All moneys, income, fees, charges, penalties or other consideration received by the Manager in respect of the grant of franchises, leases, tenancy agreements, licences or permission for the use of any part of the Common Areas and Facilities or enforcement of the provisions of this Deed or any House Rules shall be paid into and form part of the management funds and

(i) In so far as they arise from or are attributable to the Development Common Areas and Facilities be notionally credited to the first part of the annual budget;

(ii) In so far as they arise from or are attributable to the Residential Common Areas and Facilities providing service to Owners of Residential Units of the Residential Accommodation be notionally credited to the second part of the annual budget;

(iii) In so far as they arise from or are attributable to any areas designated

as common areas and facilities under a Sub-Deed in respect of a part of the Development be notionally credited to the part of the annual budget established for that part of the Development;

to the intent that in each case the notional credit or estimated notional credit shall be taken into account in the preparation of the relevant part of the annual budget or revised annual budget.

- (c) For the avoidance of doubt, the Manager shall not be required to prepare or maintain separate accounts for the income and expenditures of individual parts or sections of the annual budget and the notional credits under sub-clause (b) above shall be for reference purposes only as therein provided.

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

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

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

4.20 In the event of any Owner failing to pay any sum due and payable by him in accordance with the provisions of this Deed or any relevant Sub-Deed or failing to pay any damages awarded by any court for breach of any of the terms or conditions of this Deed or any relevant Sub-Deed within 30 days from the date on which the same become payable, the amount thereof together with interest and the collection charge at the rate and for the amount as specified in Clause 4.18 together with all costs and expenses which may be incurred in recovering or attempting to recover the same including the legal expenses referred to in Clause 4.19 and in registering the charge

hereinafter referred to shall stand 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 in full.

- 4.21 Any charge registered in accordance with Clause 4.20 shall be enforceable as an equitable charge by action at the suit of the Manager for an order for sale of the Undivided Share or Shares of the defaulting Owner together with the right to the exclusive use, occupation and enjoyment of the Unit held therewith and the provisions of Clause 4.19 shall apply equally to any such action.
- 4.22 The Manager shall without prejudice to anything herein mentioned further have power to commence proceedings for the purpose of enforcing the observance and performance, by any Owner and any person occupying any part of the Development through, under or with the consent of any such Owner, of the covenants, conditions and provisions of this Deed or any relevant Sub-Deed binding on such Owner and of the House Rules made hereunder and of recovering damages for the breach, non-observance or non-performance thereof. The provisions of Clause 4.19 shall apply to all such proceedings.
- 4.23 Subject to Clause 9.1, all insurance money, compensation or damages recovered by the Manager in respect of any damage or loss suffered in respect of any part of the Development shall be expended by the Manager in the repair, rebuilding or reinstatement of that part of the Development.
- 4.24 Where any insurance money, compensation, damages, costs and expenses or refunds are received or recovered (as the case may be) by the Manager in respect of any matter or thing for which any claim has been made against an Owner as provided in Clauses 4.18 to 4.22 the same shall, after deduction of any costs or expenses reasonably incurred out of the pocket of the Manager in recovering the same, form part of the management funds.
- 4.25 All money paid to the Manager by way of interest and collection charges pursuant to these presents shall be credited to the Special Fund.
- 4.26 Any person ceasing to be the Owner of any Undivided Share or Shares in the Land and the Development 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 funds held by the Manager including the deposit paid under Clause 4.14(a), (d) and (e) and his contribution(s) towards the Special Fund under Clause 4.11 to the intent that all such funds shall be held and applied for the management of the Land and the Development irrespective of changes in ownership of the Undivided Shares

PROVIDED THAT:-

- (i) any such deposit shall be transferred into the name of the new Owner of such Undivided Share or Shares but the contribution(s) towards the Special Fund

shall be neither refundable to any Owner by the Manager nor transferable to any new Owner; and

- (ii) upon the Land reverting to the Government and no further Government lease being obtainable, any balance of the said funds, or in the case of extinguishment of rights and obligations as provided in Clause 9.1, an appropriate part of the said funds, shall be divided proportionately between the Owners contributing to the management expenses immediately prior to such reversion or, in the case of extinguishment of rights and obligations as aforesaid, between the Owners whose rights and obligations are extinguished, in both case in proportion to the number of Undivided Shares held by such Owners.

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

4.28 (a) The Manager shall open and maintain an interest-bearing account and shall use that account exclusively in respect of the management of the Development.

(b) Without prejudice to the generality of sub-clause (a) above, if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by it from or on behalf of the Owners' Corporation in respect of the management of the Development.

(c) The Manager shall display a document showing evidence of any account opened and maintained under sub-clause (a) or (b) above in a prominent place in the Development.

(d) Subject to sub-clauses (e) and (f) below, the Manager shall without delay pay all money received by him in respect of the management of the Development into the account opened and maintained under sub-clause (a) above or, if there is an Owners' Corporation, the account or accounts opened and maintained under sub-clause (b) above.

(e) Subject to sub-clause (f) below, the Manager may, out of money received by it in respect of the management of the Development, retain or pay into a current account a reasonable amount to cover expenditure of a minor nature, but that amount shall not exceed such figure as is determined from time to time by a resolution of the Owners' Committee (if any).

- (f) The retention of a reasonable amount of money under sub-clause (e) above or the payment of that amount into a current account in accordance with sub-clause (e) above and any other arrangement for dealing with money received by the Manager shall be subject to such conditions as may be approved by a resolution of the Owners' Committee (if any).
 - (g) Any reference in this Clause to an account is a reference to an account opened with a bank within the meaning of section 2 of the Banking Ordinance (Cap 155), the title of which refers to the management of the Development.
- 4.29
- (a) The Manager shall maintain proper books or records of account and other financial records and shall keep all bills, invoices, vouchers, receipts and other documents referred to in those books or records for at least six (6) years.
 - (b) Within one (1) month after each consecutive period of three (3) months, or such shorter period as the Manager may select, the Manager shall prepare a summary of income and expenditure and a balance sheet in respect of that period, display a copy of the summary and balance sheet in a prominent place in the Development, and cause it to remain so displayed for at least 7 consecutive days.
 - (c) Within two (2) months after the end of each financial year, the Manager shall prepare an income and expenditure account and balance sheet for that year, display a copy of the income and expenditure account and balance sheet in a prominent place in the Development, and cause it to remain so displayed for at least 7 consecutive days.
 - (d) Each income and expenditure account and balance sheet shall include details of the Special Fund and an estimate of the time when there will be a need to draw on the Special Fund, and the amount of money that will then be needed.
 - (e) The Manager shall:-
 - (i) permit any Owner, at any reasonable time, to inspect the books or records of account and any income and expenditure account or balance sheet; and
 - (ii) on payment of a reasonable copying charge, supply any Owner with a copy of any record or document requested by him.
 - (f) If there is an Owners' Corporation and the Owners' Corporation decides, by a resolution of the Owners, that any income and expenditure account and balance sheet should be audited by an accountant or by some other independent auditor as may be specified in that resolution, the Manager shall without delay arrange for such an audit to be carried out by that person and:-
 - (i) permit any Owner, at any reasonable time, to inspect the audited income and expenditure account and balance sheet and the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet; and

- (ii) on payment of a reasonable copying charge, supply any Owner with a copy of the audited income and expenditure account and balance sheet, or the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet, or both, as requested by the Owner.
 - (g) Prior to the formation of the Owners' Corporation, the Owners at an Owners' meeting convened under this Deed may require the annual accounts to be audited by an independent auditor of their choice.
- 4.30 The Manager shall at any reasonable time permit any Owner to inspect any of the books or records of accounts and any income and expenditure account or balance sheet prepared pursuant to this Deed and any relevant Sub-Deed. The Manager shall upon request of any Owner and upon payment of a reasonable charge for copying the same supply such Owner with a copy of such record or document requested by him.

SECTION 5: Powers and Duties of Manager

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

- (a) To demand, collect and receive all amounts payable by Owners under the provisions of this Deed and any relevant Sub-Deed;
- (b) Unless otherwise directed by the Owners' Corporation, to take out and updating:-
 - (i) insurance of the Common Areas and Facilities and the Units up to the full new reinstatement value in respect of loss or damage by fire and other risks;
 - (ii) insurance covering the Manager against public liability, occupiers' liability and employees' liability; and
 - (iii) any other insurance policy considered necessary by the Manager

with some reputable insurance company or companies in the name of the Manager for and on behalf of the Owners according to their respective interests and in such sum or sums as the Manager shall deem fit and to pay all premia required to keep such insurance policies in force and, without limiting the generality of the foregoing, if the Manager considers so desirable, to procure master insurance for the Development as a whole including those areas which are not the Common Areas and Facilities and to pay all premia required to keep such insurance policies in force;

- (c) To arrange for refuse collection and disposal from the Common Areas and Facilities and from areas designated as refuse collection points in the Development;
- (d) To keep in good order and repair the lighting of the Common Areas and Facilities (including but not limited to the artificial lighting and back-up emergency system required for those staircases designated as means of escape under the Building Plans, which system shall be regularly maintained by the Manager);
- (e) To keep the Common Areas and Facilities in a clean and sanitary state and condition;

- (f) To repair, maintain, clean, paint or otherwise treat or decorate as appropriate, those external walls, elevations and facade (other than such part or parts the exclusive right to use of which is vested in an Owner), including windows and window frames, situated in the Common Areas and Facilities;
- (g) To choose from time to time the colour and type of facade of the Development (other than such part or parts the exclusive right to use of which is vested in an Owner);
- (h) To keep all the sewers, drains, watercourses and pipes forming part of the Common Areas and Facilities free and clear from obstructions;
- (i) To inspect and keep all the Common Areas and Facilities in good condition and working order and to extend or improve existing facilities or provide additional facilities as the Manager shall at its reasonable discretion deem necessary or desirable and to keep the fire fighting equipment in accordance with any laws and regulations applicable thereto and whenever it shall be necessary or convenient so to do at the Manager's discretion to enter into contracts with third parties for the maintenance of any such facilities;
- (j) To prevent so far as is possible any refuse or other matter being deposited, washed, eroded or falling from the Development onto any part of any public roads or any road-culverts, sewers, drains, nullahs or other Government property and to remove any such matter therefrom and to ensure that no damage is done to any drains, waterways, watercourses, footpaths, sewers, nullahs, pipes, cables, wires, utility services or other works being in, under, over or adjacent to the Land or any part thereof by reason of any maintenance or other works carried out by the Manager as herein provided and to make good any such damage;
- (k) To paint, white-wash, tile or otherwise treat as may be appropriate the exterior of the Development (other than such part or parts the exclusive right to use of which is vested in an Owner) and the Common Areas and Facilities at such intervals as the same may reasonably require to be done;
- (l) To replace any glass in the Common Areas and Facilities that may be broken;
- (m) To keep the Common Areas and Facilities well lighted and in a tidy condition;
- (n) To keep in good order and repair the ventilation of the enclosed part or parts of the Common Areas and Facilities;
- (o) To prevent refuse from being deposited on the Development or any part thereof not designated for refuse collection and to remove all refuse from all parts of the Development and arrange for its disposal at such regular intervals and to maintain either on or off the Development refuse collection facilities to the satisfaction of the Food and Environmental Hygiene Department;
- (p) To prevent unauthorised obstruction of the Common Areas and Facilities and

to remove and impound any structure article or thing causing the obstruction;

- (q) To make suitable arrangements for the supply of fresh and flushing water, gas and electricity and any other utility or service to or for the Development or any part thereof;
- (r) To provide and maintain as the Manager deems reasonably necessary security force, watchmen, porters, caretakers, closed circuit T.V. system and burglar alarms and other security measures in the Development at all times;
- (s) To maintain and operate or contract for the maintenance and operation of the communal radio or television aerials, or cable television system (if any) which serve the Development;
- (t) To remove any structure or installation, signboard, advertisement, sunshade, bracket, fitting, obstruction, device, aerial or any thing in or on the Development or any part thereof which is illegal, unauthorised or which contravenes the terms herein contained or any of the provisions of the Government Grant and to demand and recover from the Owner by whom such structure or other thing as aforesaid was erected or installed the reasonable costs and expenses of such removal and the making good of any damages caused thereby to the satisfaction of the Manager;
- (u) To appoint a solicitor or other appropriate legal counsel to advise upon any point which arises in the management of the Development necessitating professional legal advice and with authority to accept service on behalf of all the Owners for the time being of the Land and the Development of all legal proceedings relating to the Land and the Development (except proceedings relating to the rights or obligations of individual Owners) and to commence, conduct, carry on and defend in its own name legal and other proceedings touching or concerning the Land and the Development or the management thereof, and, in particular but without limiting the foregoing, in all proceedings in which the Government shall be a party and at all times within seven (7) days of being requested so to do by the Government or other competent Authority or officer, to appoint a solicitor who shall undertake to accept service on behalf of all such Owners whether for the purpose of Order 10 Rule 1 of the Rules of the High Court (or any provision amending or in substitution for the same) or otherwise;
- (v) To prevent (by legal action if necessary) any person including an Owner from occupying or using any part of the Land and the Development in any manner in contravention of the Government Grant or this Deed;
- (w) To prevent (by legal action if necessary) and to remedy any breach by any Owner or other person occupying or visiting the Development of any provisions of the Government Grant or this Deed;
- (x) To prevent any person detrimentally altering or injuring any part or parts of the Development or any of the Common Areas and Facilities thereof;

- (y) To prevent any person from overloading the floors of the Development or any part or parts thereof;
- (z) To prevent any person from overloading any of the electrical installations and circuits or any of the mains or wiring in the Development;
- (aa) To have the sole right to represent all the Owners in all matters and dealings with the Government or any statutory body or any utility or other competent authority or any other person whomsoever in any way touching or concerning the Land and the Development as a whole or the Common Areas and Facilities, the Fire Safety Management Plan (including but not limited to all fire services installations required to be installed pursuant to the Fire Safety Management Plan) and the fire safety system of the Development with power to bind all Owners as to any policy adopted or decision reached or action taken in relation to any such dealings;
- (bb) To enter into contracts and to engage, appoint, employ, remunerate and dismiss consultants, agents, contractors or sub-managers (including professional property management companies) to perform and carry out management works of the Land and the Development or any part thereof on such terms and conditions as the Manager deems fit

PROVIDED THAT:-

- (i) the Manager shall not transfer or assign its rights duties or obligations under this Deed to any of those persons; and
- (ii) the Manager shall at all times be responsible for the management and control of the whole Development;
- (cc) To enter into contracts and to engage, employ, remunerate and dismiss solicitors, architects, accountants and other professional advisers and consultants to give advice to the Manager and work on all matters related to the management of the Land and the Development and the performance of the Manager's powers and duties hereunder and to recruit and employ such workmen, servants, watchmen, caretakers and other staff and attendants as may from time to time be necessary to enable the Manager to perform any of its powers and duties in accordance with this Deed on such terms as the Manager shall in its reasonable discretion decide and to provide accommodation, uniforms, working clothes, tools, appliances, cleaning and other materials and all equipment necessary therefor;
- (dd) To enforce the due observance and performance by the Owners of the terms and conditions of the Government Grant and this Deed and any relevant Sub-Deed and to take action in respect of any breach thereof including the commencement, conduct and defence of legal proceedings and the registration and enforcement of charges as herein mentioned;
- (ee) To require all Owners or occupiers of the Units maintain the Units owned or occupied by them in a satisfactory manner;

- (ff) To post the number of legal proceedings against the Owners or occupants who are in default or in breach of the terms and conditions of this Deed or any relevant Sub-Deed on the public notice boards of the Development;
- (gg) To grant or obtain such easements, quasi-easements, rights, privileges, licences, and informal arrangements as it shall in its absolute discretion consider necessary to ensure the efficient management of the Land and the Development

PROVIDED THAT:-

- (i) the exercise of the right shall be subject to the approval of the Owners' Committee (if any) or the Owners' Corporation (when formed); and
 - (ii) the granting of any such easements, quasi-easements, rights, privileges, licences, and informal arrangements shall not affect any Owner's sole and exclusive right and privilege to hold use and occupy his Unit or impede or restrict the access to or from his Unit;
- (hh) Subject to the approval of the Owners' Committee (if any) or the Owners' Corporation (when formed), to grant rights of way or access or use at any level to the owners or occupiers of any other premises adjoining the Land or to such person and persons and upon such terms and conditions as the Manager may think fit in respect of the Common Areas and Facilities PROVIDED THAT any benefit thereof shall accrue to the Owners and on behalf of the Owners to obtain a grant of similar rights in respect of such adjoining premises;
- (ii) Subject to the approval of the Owners' Committee (if any) or the Owners' Corporation (when formed), to grant easements and rights of any other kind to the owners and occupiers of adjoining properties to construct, lay, maintain, remove and renew drains, pipes, cables, irrigation pipes, and other installations, fittings, chambers, and other equipment and structures within the Land which the Manager shall in its absolute discretion deem appropriate

PROVIDED THAT:-

- (i) the granting of any such easements or rights shall not affect any Owner's sole and exclusive right and privilege to hold use and occupy his Unit or impede or restrict the access to or from his Unit; and
 - (ii) any benefit thereof shall accrue to the Owners and on behalf of the Owners to obtain a grant of similar easements and rights from owners or managers of neighbouring land;
- (jj) To deal with all enquiries, complaints, reports and correspondence relating to the Development as a whole;
- (kk) Subject to the approval of the Owners' Committee (if any) or the Owners' Corporation (when formed), to grant franchises, leases, tenancy agreements

and licences to other persons to use such of the Common Areas and Facilities and on such terms and conditions and for such consideration as the Manager shall reasonably think fit

PROVIDED THAT:-

- (i) such use shall not be in breach of the Government Grant; and
 - (ii) all income arising therefrom shall form part of the management funds and be dealt with in accordance with the provisions of this Deed or any relevant Sub-Deed; and
 - (iii) any such right shall not interfere with any Owner's right to hold, use, occupy and enjoy his Unit or unreasonably impede or restrict the access to and from his Unit;
- (ll) To remove any dogs, cats, birds or other animals or fowls from the Development if the same has been the cause of reasonable written complaint of at least two other Owners or occupiers of the Development, the reasonableness of the complaint shall be determined by the Manager in its absolute discretion;
 - (mm) To provide such Christmas, Chinese New Year and other festive decorations and to organize such festive celebrations or activities for the Development as the Manager shall in its reasonable discretion consider desirable;
 - (nn) To make the House Rules before the formation of the Owners' Committee and to amend the House Rules with the approval of the Owners' Committee (if any);
 - (oo) To convene such meetings of the Owners or of the Owners' Committee as may be necessary or requisite and to act as secretary to keep the minutes of such meetings;
 - (pp) To do all things which the Manager shall in its discretion deem necessary or desirable for the purposes of maintaining and improving all facilities and services in or on the Development for the better enjoyment or use of the Development by its Owners occupiers and their licensees;
 - (qq) Subject to the prior approval of the Owner's Committee (if formed) or the Owners' Corporation (if formed), in the event that the Government agrees to take over or resume any part or parts of the Common Areas and Facilities to surrender the same or any part thereof to the Government and the Manager is HEREBY APPOINTED the lawful attorney to execute and sign all relevant documents on behalf of all the Owners for such purpose including matters relating to payment of compensation PROVIDED THAT any benefit or monetary compensation so obtained shall be used for the common benefit of all the Owners or be credited into the management fund, as the case may be;
 - (rr) Subject to the approval of the Owners' Committee (if any) or the Owners'

Corporation (when formed), to grant such easements, quasi-easements, rights, privileges and licences to and to enter into such arrangements and agreements with the Government or the general public or any person or persons and upon such terms and conditions in respect of any part or parts of the Common Areas and Facilities as the Manager may in its reasonable discretion think fit

PROVIDED THAT:-

- (i) any such easements, quasi-easements, rights, privileges and licences shall not interfere with any Owner's right to hold, use, occupy and enjoy his Unit or unreasonably impede or restrict the access to and from his Unit; and
 - (ii) all income arising therefrom shall form part of the management funds and be dealt with in accordance with the provisions of this Deed or any relevant Sub-Deed;
- (ss) To engage suitable qualified personnel to inspect keep and maintain in good substantial repair and condition the slope structures within the Land (if any and if required by the Government Grant) in accordance with "Geoguide 5 - Guide to Slope Maintenance" and the manual relevant to maintenance of such slopes structures issued by the Geotechnical Engineering Office as amended from time to time and with such other guidelines issued from time to time by appropriate Government departments regarding the maintenance of slopes, retaining walls and related structures and to carry out any necessary works in relation thereto and to collect from the Owners in proportion to the Undivided Shares allocated to their parts of the Land and the Development such additional sums (in case of insufficient management funds) from time to time to cover all costs lawfully incurred or to be incurred in carrying out such maintenance and repair

PROVIDED THAT the Manager shall not be personally liable for carrying out such maintenance and repair works which must remain the responsibility of the Owners if, having used all reasonable endeavours, the Manager has not been able to collect all costs so incurred or to be incurred from all Owners and for the purpose of the exercising of the rights or authority of the Manager under this sub-clause, the Manager shall include the Owners' Corporation (if formed);

- (tt) Subject to the approval of the Owners' Committee (if any) or the Owners' Corporation (when formed):-
- (i) to make rules and regulations governing the use of the Club House including but not limited to the fixing of fees and charges for admittance and use of the facilities in the Club House from time to time and to collect such fees and charges from the permitted users of the facilities; and
 - (ii) to let, hire, lease or licence all or any part of the Club House to any person for the purpose of operating the same for such period and on

such conditions as the Manager shall in its discretion think fit,

PROVIDED THAT all income deriving therefrom shall become part of the management funds and shall not be used other than for the purpose of the maintenance, operation, repair and improvement of the Club House and the facilities therein and that any deficit in the operation of the Club House or any part thereof shall be charged to the management funds;

- (uu) (i) If the Manager thinks so desirable, to provide appropriate and sufficient waste separation and recovery facilities including, but not limited to, waste separation bins at such locations within the Common Areas and Facilities as he may consider suitable and convenient to facilitate waste separation and recovery by the Owners and occupiers of the Development. In such event, the Manager shall ensure that the recovery facilities shall consist of material that will not cause any fire hazard and shall be placed in locations so as not to cause obstruction to any fire escape route, and that recyclable materials recovered from the facilities or through the regular cleansing process shall be properly collected, stored, and sent for recycling. The Manager shall also maintain the facilities so provided in an environmentally acceptable and hygienic manner to avoid creating nuisance to the Owners and occupiers of the Development;
- (ii) To organize any activities as the Manager may consider appropriate to promote the environmental awareness of the Owners and occupiers of the Development and to encourage them to participate in such activities with a view to improving the environmental conditions of the Development;
- (iii) Subject to the provisions of this Deed, to make House Rules to require the Owners and occupiers of the Development to dispose of their rubbish properly for waste separation and recycling purposes;
- (vv) To take all steps necessary or expedient for complying with the Government Grant and any Government requirements concerning the Development or any part thereof;
- (ww) To engage qualified personnel to inspect or carry out a structural survey of the Development or any part thereof including the drains and channels within or outside the Land serving the Development as and when the Manager deems necessary or desirable;
- (xx) To maintain all areas, open spaces and other facilities as are required to be maintained under the provisions of the Government Grant;
- (yy) To enforce the due observance and performance by the Owners or any person occupying any Unit through under or with the consent of any such Owner of the terms and conditions of this Deed, any relevant Sub-Deed and the House Rules made hereunder, and to take action including the commencement and conduct and defence of legal proceedings to enforce the due observance and

performance thereof and/or to recover damages for any breach non-observance or non-performance thereof;

- (zz) To enter into contracts for the installation or use of aerial broadcast distribution or telecommunications network facilities and contracts for the provision of broadcast distribution network or telecommunications network services for the Development PROVIDED THAT such contracts to be entered into by the Manager shall be subject to the following conditions:-
- (i) the term of the contract will not exceed 3 years;
 - (ii) the right to be granted under the contract must be non-exclusive and must provide for sharing the use of the facilities and network with other service providers; and
 - (iii) no Owner is required to make any payment in any form attributable to the installation or provision of the facilities or services, unless he is a subscriber to the relevant service;
- (aaa) To landscape and plant with trees and shrubs any portion of the Land and podium not built upon and thereafter maintain and keep the same in a safe, clean, neat, tidy and healthy condition;
- (bbb) In respect of any roof, flat roof and/or roof terrace forming part of a Residential Unit, the Manager shall have the right at all times to extend, maintain, operate, move and have access to, over and /or into or partly into the portion of airspace above the roof, flat roof and/or roof terrace or the parapet walls of the roof, flat roof and/or roof terrace as may be determined by the Manager, a tracked telescopic jib gondola and/or any jib, davit arm, other equipment or device of management (collectively referred to in this Deed as the “**gondola**” which expression shall include all jibs, brackets, hinges, posts or other related equipment):-
- (i) to service, cleanse, enhance, maintain, repair, renovate, decorate, improve and/or replace any part of any exterior (other than such part or parts the exclusive right to use is vested in an Owner) of the Development, and
 - (ii) to remain temporarily over and/or on the said airspace for such period as may be necessary

for the purpose of inspecting, rebuilding, repairing, renewing, maintaining, cleaning, painting or decorating all or any part of the Common Areas and Facilities and/or the Development

PROVIDED THAT:-

- (1) the use and enjoyment by the Owner of the Residential Unit shall not be materially adversely affected or prejudiced thereby; and

- (2) the Manager shall make good any damage caused thereby and ensure that the least disturbance is caused;
- (ccc) To implement the Fire Safety Management Plan and to issue any guideline or direction from time to time relating to its implementation (including the arranging of regular visual inspection once in a year to ensure no alteration or removal of the fire safety provisions within the Residential Units with open kitchen, the arranging of inspection and certification at least once a year of the fire safety provisions within the Common Areas and Facilities and within the Residential Units with open kitchen (at the relevant Owners' expenses) by registered fire services installations contractor, the arranging of fire drills for the occupants of the Development at least once a year) in accordance with the Fire Safety Management Plan, and where the Manager considers necessary, to enter with or without workmen equipment or materials at all reasonable times on reasonable notice (except in an emergency when no notice is required) any Residential Unit with open kitchen to carry out regular testing, maintenance, reinstatement or rectification of the fire safety provisions therein at that Owner's expenses or to verify observance and compliance of provisions set out in the FOURTH SCHEDULE hereto; and
- (ddd) To do all such other things as are reasonably incidental to the management of the Land and the Development.

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

- (a) To charge the Owners for the temporary use of electricity, water or other utilities supplied by the Manager and for the collection and removal of fitting out or decoration debris (if any) PROVIDED THAT such charges shall be paid into the management funds;
- (b) To charge the Owners for all costs and consultants' fees incurred in approving their fitting out, decoration or construction plans submitted for approval by the Manager in accordance with the provisions of this Deed and House Rules PROVIDED THAT such charges shall be fair and reasonable and shall be paid into the management funds;
- (c) To charge the Owners for the use of water supplied otherwise than through the individual meters of the Owners at such rates as are from time to time determined by the Manager provided such charges shall be paid into the management funds;
- (d) From time to time to make rules and regulations governing the supply and use of fresh and sea water to all parts of the Development, the payment and recovery of charges for installation, disconnection, reconnection and readings of meters, damage to meters and default interest to a like extent as are from time to time made by the Government;
- (e) To enter with or without workmen at all reasonable times on prior written reasonable notice (except in the case of emergency) upon all and any parts of

the Development including any Unit necessary for the purpose of replacing, repairing and maintaining any of the fresh or sea water mains and pipes serving any part of the Land whether or not the same belong exclusively to any Unit

PROVIDED THAT:-

- (i) the Manager shall make good any damage caused thereby and ensure that the least disturbance is caused; and
 - (ii) if it is discovered that any pipe located within the Unit is causing water leakage or is in need of repair, the Owner concerned shall bear the cost of inspection, testing and repair of such pipe;
- (f) To enter with or without workmen at all reasonable times on prior written reasonable notice (except in the case of emergency) into all or any parts of the Development including any Unit for the purpose of inspecting the toilets and to repair any part or parts of a toilet which shall leak at the expense of the Owner concerned PROVIDED THAT the Manager shall ensure that such inspection shall cause the least disturbance and shall make good any damage caused thereby unless the same is due to the default of the Owner of such toilet;
- (g) To manage, repair, upkeep, maintain and to keep well lighted the Common Areas and Facilities and to manage and maintain such other areas or drains and channels whether within or outside the Land that are required to be maintained under the Government Grant;
- (h) Subject to the approval of the Owners' Committee (if any), to charge a prescribed fee for entry into and/or use of the Recreational Areas and Facilities or any part thereof PROVIDED THAT all such prescribed fees collected shall form part of the management fund to be utilised towards the management, maintenance and repair of the Residential Common Areas and Facilities.

5.3 The Manager shall have power to enter with or without its employees, contractors, workmen and others and with or without equipment and apparatus at all reasonable times on prior reasonable notice (except in case of emergency) all parts of the Development including all parts of any Unit for the purposes of:-

- (a) carrying out necessary repairs to the Development or abating any hazard or nuisance which does or may affect the Common Areas and Facilities or other Owners;
- (b) replacing, repairing and maintaining any of the fresh or flushing water mains and pipes serving any part of the Land whether or not the same belong exclusively to any Unit;
- (c) inspecting the toilets and the sanitary provisions therein and to replace or repair any part or parts of a toilet which shall leak at the relevant Owner's cost and expense;

- (d) inspecting, repairing, replacing and maintaining the sprinkler system, fire fighting equipment or door hold open device forming part of the Common Areas and Facilities for compliance with the Fire Services Ordinance (Cap. 95 of the laws of Hong Kong) or any by-laws or regulations made thereunder;
- (e) inspecting repairing, replacing and maintaining the lifts, lift doors, lift control panels, access card system and their ancillary provisions forming part of the Common Areas and Facilities for the compliance with the Lifts and Escalators Ordinance (Cap. 618 of the laws of Hong Kong) or any by-laws or regulations made thereunder; and
- (f) carrying out (at the cost and expense of the relevant Owner of a Residential Unit with open kitchen) annual maintenance of the fire services installations therein

PROVIDED THAT the Manager shall cause as little disturbance as possible and shall forthwith repair (at its own costs and expense) any damage caused thereby and shall be liable for negligent, wilful or criminal acts of the Manager, its employees, contractors and workmen in the course of exercising the aforesaid rights.

- 5.4 The Common Areas and Facilities shall be under the exclusive control of the Manager who is hereby appointed to act as agent for and on behalf of all Owners duly authorised in accordance with the provisions of this Deed and any relevant Sub-Deed in respect of any matter concerning the Common Areas and Facilities.
- 5.5 All acts and decisions of the Manager reasonably arrived at in accordance with the provisions of this Deed in respect of any of the matters aforesaid shall be binding in all respects on all the Owners for the time being.
- 5.6 (a) Subject to the approval of the Owners' Committee (if any) or the Owners' Corporation (when formed), the Manager shall have power from time to time to make, revoke and amend House Rules regulating the use, occupation, maintenance and environmental control of the Land and the Development, the Common Areas and Facilities, protection of the environment of the Development and implementation of waste reduction and recycling measures with reference to guidelines on property management issued from time to time by the Director of Environmental Protection and the conduct of persons occupying, visiting or using the same and the conditions regarding such occupation, visit or use including the payment of charges (if any) and such House Rules shall be binding on all the Owners, their tenants, licensees, servants or agents. A copy of the House Rules from time to time in force shall be posted on the public notice boards of the Development and a copy thereof shall be supplied to each Owner on request on payment of reasonable copying charges.
- (b) Such House Rules shall be supplementary to the terms and conditions contained in this Deed and any Sub-Deed and must not in any way conflict with such terms and conditions. In case of inconsistency between such House Rules and the terms and conditions of this Deed and any Sub-Deed the terms

and conditions of this Deed and the Sub-Deed shall prevail. The House Rules and any amendments thereto must not be inconsistent with or contravene the Building Management Ordinance or the Government Grant.

- (c) Neither the Manager nor the Owners' Committee (if any) shall be held liable for any loss or damage however caused arising from any non-enforcement of such House Rules or non-observance thereof by any third party.

5.7 Where the Manager's consent is required under this Deed or any Sub-Deed, such consent not be unreasonably withheld and that the Manager shall not charge any fee other than a reasonable administrative fee for issuing the consent. The fee shall be credited to the Special Fund.

5.8 The Manager shall consult (either generally or in any particular case) the Owners' Corporation (if formed) at a general meeting of the Owners' Corporation and adopt the approach decided by the Owners' Corporation on the channels of communication among Owners on any business relating to the management of the Land and the Development.

SECTION 6: Exclusions and Indemnities

- 6.1 The Manager, its employees, agents or contractors shall not be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance or purported pursuance of the provisions of this Deed or any Sub-Deed not being an act or omission involving criminal liability, dishonesty or negligence on the part of the Manager, its employees, agents or contractors. Without in any way limiting the generality of the foregoing, the Manager, its employees, agents or contractors shall not be held liable for any damage, loss or injury caused by or in any way arising out of:-
- (a) any defect in or failure or breakdown of any of the Common Areas and Facilities;
 - (b) any failure, malfunction or suspension of the supply of water, electricity or other utility or service to the Development;
 - (c) fire or flooding or the overflow or leakage of water from anywhere whether within or outside the Development;
 - (d) the activity of termites, cockroaches, rats, mice or other pests or vermin; or
 - (e) theft, burglary or robbery within the Development;

UNLESS it can be shown that such damage, loss or injury was caused by an act or omission involving criminal liability, dishonesty or negligence on the part of the Manager, its employees, agents or contractors involving and PROVIDED THAT the management contribution or any other charges payable under this Deed or any part thereof shall not be abated or cease to be payable on account thereof.

- 6.2 The Owners shall fully and effectually indemnify the Manager, its employees, agents or contractors from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with any such act, deed, matter or thing done or omitted as aforesaid not being an act or omission involving criminal liability, dishonesty or negligence on the part of the Manager, its employees, agents or contractors and all costs and expenses in connection therewith.
- 6.3 Each Owner shall be responsible for and shall indemnify the Manager and the other Owners and occupiers against all actions, proceedings, claims and demands whatsoever arising out of or in respect of any loss or damage to any person or property caused by or as the result of the act or negligence of any occupier of his Unit or any person using his Unit with his express or implied consent or by, or through, or in any way owing to the fire, overflow of water or leakage of electricity or gas therefrom.
- 6.4 Each Owner shall be responsible for and shall indemnify the Manager and the other Owners and occupiers against the acts and omissions of all persons occupying his Unit with his express or implied consent and to pay all costs, charges and expenses incurred in repairing or making good any loss or damage to the Development or any

part or parts thereof or any of the Common Areas and Facilities therein or thereon caused by the act, neglect or default of all such persons. In the case of loss or damage which the Manager is empowered by these presents to make good or repair, such costs, charges and expenses shall be recoverable by the Manager and in the case of loss or damage suffered by other Owners or occupiers for which the Manager is not empowered by these presents or for which the Manager has in its reasonable discretion elected not to repair or make good, such costs, charges and expenses together with all other damages recoverable by law shall be recoverable by the person or persons sustaining the loss or damage.

SECTION 7: Owners' Committee

- 7.1 The Manager shall call the first meeting of the Owners as soon as possible, but in any event not later than 9 months after the date of this Deed (and to call further and subsequent meetings if required), which meeting must establish an Owners' Committee and appoint a chairman thereof or must appoint a management committee for the purpose of forming an Owners' Corporation under the Building Management Ordinance.
- 7.2 During the existence of an Owners' Corporation, the general meeting of the Owners' Corporation convened under the Building Management Ordinance shall take the place of the meeting of Owners convened under this Deed, and where a management committee of the Owners' Corporation is or has been appointed, the management committee shall take the place of the Owners' Committee.
- 7.3 The Owners' Committee shall consist of not less than 3 members and not more than 5 members, or such number of members as the Owners may decide from time to time by resolution at a meeting of the Owners, PROVIDED THAT not fewer than 1 member shall be elected from the Owner(s) of the Commercial Accommodation to represent it /them in the Owners' Committee.
- 7.4 The functions of the Owners' Committee shall include the following:-
- (a) the representing of the Owners in all dealings with the Manager;
 - (b) the undertaking of such other duties as the Manager may, with their approval, delegate to them;
 - (c) the reviewing of the annual budget and revised budget prepared by the Manager;
 - (d) the approval of the House Rules and the Club Rules made from time to time by the Manager;
 - (e) to elect a manager to take the place of the Manager in accordance with this Deed; and
 - (f) the exercise of all other powers and duties conferred on the Owners' Committee by virtue of these presents.
- 7.5 The following persons shall be eligible for membership of the Owners' Committee:-
- (a) Any Owner and, in the event of an Owner being a corporate body, any representative appointed by such Owner. The appointment of a representative by a corporate body shall be in writing addressed to the Owners' Committee and may be revoked at any time on notice in writing being given to the Owners' Committee.
 - (b) The husband or wife of any Owner duly authorised by the Owner which authorisation shall be in writing addressed to the Owners' Committee and may

be revoked at any time on notice in writing being given to the Owners' Committee PROVIDED THAT such husband or wife resides in the Development.

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

In any of the events provided for in sub-clauses (a), (c) or (d) above the Manager shall convene a meeting of the Owners to fill the casual vacancy thereby created.

- 7.7 A meeting of the Owners' Committee may be convened at any time by the chairman or any 2 members of the Owners' Committee. A meeting to be known as the annual meeting shall be held once in each calendar year commencing with the year following the date of this Deed for the purpose of transacting other business of which due notice is given in the notice convening the meeting.
- 7.8 The person or persons convening the meeting of the Owners' Committee shall, at least 7 days before the date of the meeting, give notice of the meeting to each member of the Owners' Committee.
- 7.9 The notice of meeting referred to in Clause 7.8 above shall specify:-
- (a) the date, time and place of the meeting; and
 - (b) the resolutions (if any) that are to be proposed at the meeting.
- 7.10 The notice of meeting referred to in Clause 7.8 above may be given:-
- (a) by delivering it personally to the member of the Owners' Committee; or
 - (b) by sending it by post to the member of the Owners' Committee at his last known address; or
 - (c) by leaving it at the member's flat or depositing it in the letter box for that flat.

- 7.11 The quorum at a meeting of the Owners' Committee shall be 50% of the members of the Owners' Committee (rounded up to the nearest whole number) or 3 such members, whichever is the greater.
- 7.12 No business shall be transacted at any time by the Owners' Committee unless a quorum is present when the meeting proceeds to business. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members of the Owners' Committee, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members of the Owners' Committee present shall be a quorum.
- 7.13 A meeting of the Owners' Committee shall be presided over by:-
- (a) the chairman; or
 - (b) in the absence of the chairman, a member of the Owners' Committee appointed as chairman for that meeting.

The first chairman appointed pursuant to 7.1 shall be chairman until the next annual meeting. Thereafter the chairman shall be chosen by the Owners at the first or any other meeting of the Owners held in any calendar year.

- 7.14 The Manager shall act as the secretary to the Owners' Committee and shall cause a record of the persons present at the meetings of the Owners' Committee and the proceedings thereof to be kept.
- 7.15 The following provisions shall apply in all meetings of the Owners' Committee:-
- (a) All resolutions passed by a simple majority of votes at such meeting shall be binding on all the Owners but no such resolution shall be valid if it concerns any other matter not being the subjects contained in the notice convening the meeting or if it is contrary to the provisions of this Deed or any Sub-Deed;
 - (b) At a meeting of the Owners' Committee, each member present shall have 1 vote on a question before the Owners' Committee and if there is an equality of votes the chairman shall have, in addition to a deliberative vote, a casting vote.
 - (c) The procedure at meetings of the Owners' Committee shall be as is determined by the Owners' Committee.
- 7.16 The Owners' Committee and the members thereof shall not be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance or in purported pursuance of the provisions of this Deed or any Sub-Deed not being anything involving criminal liability or dishonesty or negligence by or on the part of any or all of the members of the Owners' Committee, and the Owners shall fully and effectually indemnify the Owners' Committee from and against all actions, proceedings, claims and demands whatsoever arising directly

or indirectly out of or in connection with any act, deeds, matter or thing done or omitted as aforesaid which does not involve criminal liability, dishonesty or negligence on the part of the Owners' Committee or the members thereof and all costs and expenses in connection therewith.

- 7.17 No remuneration shall be payable to the Owners' Committee or any member thereof but such members shall be entitled to be reimbursed for all out-of-pocket expenses reasonably and necessarily incurred in carrying out their duties.
- 7.18 (a) The Owners' Committee shall cause to be kept records and minutes of:-
- (i) the appointment and vacation of appointments of all its members and all changes therein;
 - (ii) all resolutions and notes of proceedings of the Owners' Committee;
 - (iii) the members present at all meetings.
- (b) Such records and minutes shall be kept in such place as the Owners' Committee may from time to time determine and shall be open to inspection by any Owner on reasonable notice being given and such Owner shall also be entitled to extracts thereof on paying reasonable charges therefor.
- 7.19 Nothing herein contained shall prevent the Owners' Committee from forming sub-committees for the recreation and welfare of the residents of the Development or to co-opt any person eligible under Clause 7.5 above who are not members of the Owners' Committee to serve on such sub-committees.

SECTION 8: Meeting of Owners

From time to time as occasion may require there shall be meetings of the Owners for the time being of the Undivided Shares to discuss and decide matters concerning the Land and the Development and in regard to such meetings the following provisions shall apply:-

- 8.1 A meeting of Owners may be convened by:-
- (a) the Owners' Committee;
 - (b) the Manager; or
 - (c) an Owner appointed to convene such a meeting by the Owners of not less than 5% of the Undivided Shares in aggregate.
- 8.2 The person convening the meeting of the Owners shall, at least 14 days before the date of the meeting, give notice of the meeting to each Owner.
- 8.3 The notice of meeting referred to in Clause 8.2 above shall specify:-
- (a) the date, time and place of the meeting; and
 - (b) the resolutions (if any) that are to be proposed at the meeting.
- 8.4 The notice of meeting referred to in Clause 8.2 above may be given:-
- (a) by delivering it personally to the Owner;
 - (b) by sending it by post to the Owner at his last known address; or
 - (c) by leaving it at the Owner's flat or depositing it in the letter box for that flat.
- 8.5 The quorum at a meeting of Owners shall be 10% of the Owners. No business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business.
- 8.6 For the purposes of Clause 8.5 above, the reference in that sub-clause to "**10% of the Owners**" shall:-
- (a) be construed as a reference to 10% of the number of persons who are Owners without regard to their ownership of any particular percentage of the total number of Undivided Shares into which the Land and the Development are divided; and
 - (b) not be construed as the Owners of 10% of the Undivided Shares in aggregate.
- 8.7 A meeting of Owners shall be presided over by the chairman of the Owners' Committee or, if the meeting is convened under Clause 8.1(b) or 8.1(c)(iii), the person convening the meeting. The chairman shall cause a record to be kept of the persons present at the meeting and the proceedings thereof.

8.8 At a meeting of Owners:-

- (a) an Owner shall have one vote in respect of each Undivided Share he owns;
- (b) an Owner may cast a vote personally or by proxy;
- (c) where 2 or more persons are the co-Owners of an Undivided Share, the vote in respect of the Undivided Share may be cast –
 - (i) by a proxy jointly appointed by the co-Owners;
 - (ii) by a person appointed by the co-Owners from amongst themselves; or
 - (iii) if no appointment is made under paragraph (i) or (ii) above, either by one of the co-Owners personally or by a proxy appointed by one of the co-Owners;
- (d) where 2 or more persons are the co-Owners of an Undivided Share and more than one of the co-Owners seeks to cast a vote in respect of the Undivided Share, only the vote that is cast, whether personally or by proxy, by the co-Owner whose name, in order of priority, stands highest in relation to that Undivided Share in the register kept at the Land Registry shall be treated as valid; and
- (e) if there is an equality of votes the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote.

8.9 (a) An instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A to the Building Management Ordinance, and:-

- (i) shall be signed by the Owner; or
 - (ii) if the Owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf.
- (b) The instrument appointing a proxy shall be lodged with the chairman of the Owners' Committee or, if the meeting is convened under Clause 8.1(b) or 8.1(c) above, the person convening the meeting at least 48 hours before the time for the holding of the meeting.
- (c) A proxy appointed by an Owner to attend and vote on behalf of the Owner shall, for the purposes of the meeting, be treated as being the Owner present at the meeting.

8.10 The procedure at a meeting of Owners shall be as is determined by the Owners.

8.11 Save as otherwise herein provided any resolution on any matter concerning 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 of the Development Provided as follows:-

- (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 or any Sub-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.
- (e) 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 seventy-five per cent (75%) of the total number of Undivided Shares in the Development namely:-
 - (i) Upon the expiration of the said term of years to which the Owners are entitled under and by virtue of the Government Grant 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 Government Grant as aforesaid.
 - (ii) A resolution to rebuild or redevelop the Development otherwise than in accordance with Clause 9.1.
- (f) Without affecting the provisions herein contained requiring certain matters to be decided only by resolutions passed by the Owners holding not less than seventy-five per cent (75%) of the total number of Undivided Shares in the Development, a resolution in writing signed by Owners who in the aggregate have vested in them for the time being more than one half of the total number of Undivided Shares in the Development shall be as valid and effectual as if it had been passed at a duly convened meeting of such Owners.
- (g) The accidental omission to give notice as aforesaid to any Owner shall not invalidate the proceedings at any meeting or any resolution passed thereat.
- (h) For the avoidance of doubt and notwithstanding anything to the contrary

contained in this Deed, the person in whom the Undivided Shares allocated to the Common Areas and Facilities are vested as trustee for all the Owners shall have no voting right in respect of such Undivided Shares in any meeting whether under this Deed, any Sub-Deed or the Building Management Ordinance or otherwise and such Undivided Shares shall not be taken into account in determining the quorum of any meetings or for determining the total number of Undivided Shares in the Development referred to in this Section 8 and such Undivided Shares shall not carry any liability to pay charges under this Deed or any Sub-Deed.

SECTION 9: Extinguishment of Rights

- 9.1 In the event of the whole or any part of the Development being so damaged by fire, typhoon, earthquake, subsidence or other causes rendering it substantially unfit for use, habitation or occupation, (a) the Owners' Committee (b) the Manager or (c) the Owners of the Development holding not less than 75% of the Undivided Shares allocated to that damaged part(s) of the Development (excluding the Undivided Shares allocated to the Common Areas and Facilities) shall convene a meeting of the Owners of such damaged part(s) of the Development and such meeting may resolve by a 75% majority of the Owners present in person or by proxy holding not less than 75% of the total Undivided Shares of such damaged part(s) (excluding the Undivided Shares allocated to the Common Areas and Facilities) and voting that by reason of insufficiency of insurance money or changes in building law or regulations or any other circumstances whatsoever, it is not practicable to reinstate or rebuild such damaged part(s) of the Development then in such event, the Undivided Shares representing such damaged part(s) of the Development shall be acquired by the Manager and the Owners of such Undivided Shares shall in such event be obliged to assign the same and all rights and appurtenances thereto to the Manager upon trust to forthwith dispose of the same by public auction or private treaty and to distribute the net proceeds of sale amongst the Owners of such Undivided Shares in proportion to the respective number of Undivided Shares previously held by such former Owners. All insurance money received in respect of any policy of insurance on such damaged part(s) of the Development shall likewise be distributed amongst such former Owners. In such event all the rights, privileges, obligations and covenants of such former Owners under this Deed shall be extinguished so far as the same relate to such former Owners of the relevant damaged part(s) of the Development.

PROVIDED THAT if it is resolved to reinstate or rebuild such damaged part(s) of the Development, the Owners of such damaged part(s) of the Development shall pay the excess of the cost of reinstatement or rebuilding of the relevant damaged part(s) of the Development over and above the proceeds recoverable from the insurance of such damaged part(s) of the Development in proportion to the respective number of Undivided Shares held by them and that until such payment the same will become a charge upon their respective Undivided Shares allocated to the relevant damaged part(s) of the Development and be recoverable as a civil debt. The resolution is to be binding upon all the Owners of the damaged part(s) of the Development.

- 9.2 The following provisions shall apply to a meeting convened as provided in Clause 9.1 above:-
- (a) The person convening such meeting of the Owners shall, at least 14 days before the date of the meeting, give notice of the meeting to each Owner. Such notice of meeting shall specify:
 - (i) the date, time and place of the meeting; and
 - (ii) the resolutions (if any) that are to be proposed at the meeting.

- (b) The notice of meeting referred to in sub-clause (a) shall be posted on the public notice boards of or a prominent place in the Development and if possible, may be given :
 - (i) by delivering it personally to the Owner;
 - (ii) by sending it by post to the Owner at his last known address; or
 - (iii) by leaving at the Owner's Unit or depositing it in the letter box for that Unit.
- (c) No business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business and Owners present in person or by proxy who in the aggregate have vested in them not less than 75% of the total number of Undivided Shares of the damaged part(s) of the Development (excluding the Undivided Shares allocated to the Common Areas and Facilities) in question shall be a quorum.
- (d) If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the same time and day in the following week at the same place, and if at such adjourned meeting a quorum is not present the Owners present shall be deemed to constitute a quorum.
- (e) The Chairman of the Owners' Committee or the person convening such meeting shall be the chairman of the meeting.
- (f) The chairman shall cause a record to be kept of the persons present at the meeting and notes of the proceedings thereof.
- (g) At such meeting of the Owners :
 - (i) an Owner shall have one vote in respect of each Undivided Share he owns;
 - (ii) an Owner may cast a vote personally or by proxy;
 - (iii) where 2 or more persons are the co-Owners of an Undivided Share, the vote in respect of that Undivided Share may be cast :
 - (A) by a proxy jointly appointed by the co-Owners;
 - (B) by a person appointed by the co-Owners from among themselves; or
 - (C) if no appointment is made under this sub-clause (g)(iii)(A) or (B), either by one of the co-Owners personally or by a proxy appointed by one of the co-Owners.
 - (iv) where 2 or more persons are the co-Owners of an Undivided Share, and more than one of the co-Owners seeks to cast a vote in respect of

the Undivided Share, only the vote that is cast, whether personally or by proxy, by the co-Owner whose name, in order of priority, stands highest in relation to that Undivided Share in the register kept at the Land Registry shall be treated as valid; and

- (v) if there is an equality of votes, the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote.
- (h) (i) An instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A to the Building Management Ordinance, and
 - (A) shall be signed by the Owner; or
 - (B) if the Owner is a body corporate, shall notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf.
- (ii) The instrument appointing a proxy shall be lodged with the chairman of the Owners' Committee or the person convening the meeting at least 48 hours before the time for the holding of the meeting.
- (iii) A proxy appointed by an Owner to attend and vote on behalf of the Owner shall, for the purposes of the meeting, be treated as being the Owner present at that meeting.
- (i) A resolution passed at a duly convened meeting by a 75% majority of the Owners present in person or by proxy and voting in proportion to the number of Undivided Shares in the damaged part(s) of the Development in question (excluding the Undivided Shares allocated to the Common Areas and Facilities) held at such meeting shall be binding on all the Owners of the Development or (as the case may be) the damaged part(s) of the Development in question PROVIDED THAT:-
 - (i) the notice convening the meeting shall specify the intention to propose a resolution concerning such matter;
 - (ii) any resolution purported to be passed at any such meeting concerning any other matter shall not be valid;
 - (iii) no resolution shall be valid if it is contrary to the provisions of this Deed.
- (j) A resolution in writing signed by Owners who in the aggregate have vested in them for the time being not less than 75% of the Undivided Shares allocated to the damaged part(s) of the Development in question (excluding the Undivided Shares allocated to the Common Areas and Facilities) shall be as valid and effectual as if it had been passed at a duly convened meeting of such Owners.

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

SECTION 10: Miscellaneous Provisions

- 10.1 (a) The provisions contained in Schedule 7 and Schedule 8 to the Building Management Ordinance shall be deemed to be incorporated into and form part of this Deed. In the event of any dispute arising out of the interpretation of the provisions in Schedules 7 and 8 to the Building Management Ordinance and the provisions of this Deed, the former shall prevail.
- (b) No provisions in this Deed shall conflict with or be in breach of the Government Grant.
- (c) Each Owner shall comply with the terms and conditions of the Government Grant so long as they remain as Owners. The Manager shall comply with the terms and conditions of the Government Grant so long as it remains as the Manager.
- 10.2 Each Owner shall on ceasing to be the Owner of any Undivided Share and the Unit enjoyed therewith notify the Manager of such cessation and of the name and address of the new Owner within one (1) month from the date of the relevant assignment and such Owner shall remain liable for all such sums and for the observance and performance of such terms and conditions up to the date on which he ceases to be the Owner.
- 10.3 No person shall, after ceasing to be the Owner of any Undivided Share, be liable for any debt liability or obligation under the covenants, terms and conditions of this Deed in respect of such Undivided Share and the premises held therewith save and except in respect of any breach, non-observance or non-performance by such person of any such covenant or term and condition prior to his ceasing to be the Owner thereof.
- 10.4 There shall be public notice boards at such prominent places in the Development as the Manager may from time to time determine. There shall be exhibited on each of such public notice boards all notices which under this Deed are required to be exhibited thereon and such other notices and announcements as the Manager may from time to time decide to exhibit or approve for exhibition thereon. Except in the case of a notice required by this Deed or by law to be served personally or in any other manner, the exhibition of a notice on such public notice boards for seven (7) consecutive days shall be due notice of the contents thereof to each Owner, his tenants, licensees, servants and agents.
- 10.5 Subject as hereinbefore provided in the case of notices to be affixed to the public notice boards, all notices or demands required to be served hereunder shall be sufficiently served if addressed to the party to whom the notices or demands are given and sent by prepaid post to or left at the Unit of which the party to be served is the Owner notwithstanding that such party shall not personally occupy the same PROVIDED THAT where notice is to be given to an Owner who is a mortgagor, such notice may also be served on the mortgagee, if a company, at its registered office or last known place of business in Hong Kong Special Administrative Region and, if an individual, at his last known address. All notices required to be given to the Manager shall be sufficiently served if sent by prepaid post addressed to or if by hand left at the registered office of the Manager.

- 10.6 Any Owner who does not occupy his Unit shall provide the Manager with an address in Hong Kong for service of notices under the provisions of this Deed and any relevant Sub-Deed.
- 10.7 (a) The First Owner shall at his own cost provide a direct translation in Chinese of this Deed and deposit a copy of this Deed and the Chinese translation in the management office within one month from the date hereof for inspection by all Owners free of costs and for taking of copies by the Owners at their expense and upon payment of a reasonable charge. All charges received must be credited to the Special Fund. In the event of any dispute arising out of the interpretation of the Chinese translation and the English version of this Deed, the English version shall prevail.
- (b) The First Owner shall deposit a copy of Schedules 7 and 8 to the Building Management Ordinance (English and Chinese versions) in the management office for reference by all Owners free of costs and for taking copies at their own expense and upon payment of a reasonable charge. All charges received must be credited to the Special Fund.
- (c) A copy of plans showing the Common Areas and Facilities certified as to their accuracy by or on behalf of the Authorised Person are annexed to this Deed and shall be prepared by the First Owner and kept at the management office and shall be available for inspection by the Owners during normal office hours free of costs and charge.
- 10.8 Where the Owners are required to maintain or carry out works in respect of the Slope Structures as required by the conditions of the Government Grant:-
- (a) The Owners shall at their own expense maintain and carry out all works in respect of the Slope Structures in accordance with the “Geoguide 5 – Guide to Slope Maintenance” issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and the Slope Maintenance Manual.
- (b) The Manager (which for the purpose of this Clause shall include the Owners’ Corporation) is hereby given full authority by the Owners to engage suitable qualified personnel to inspect, keep and maintain in good substantial repair and condition, and carry out any necessary works in respect of, the Slope Structures in compliance with the Government Grant and in accordance with the Slope Maintenance Manual and all guidelines issued from time to time by the appropriate Government department regarding the maintenance of the Slope Structures.
- (c) The Owners shall be responsible for the payment to the Manager of all costs lawfully incurred or to be incurred by the Manager in carrying out such maintenance repair and any other works in respect of the Slope Structures.
- (d) The Manager shall not be personally liable for carrying out these requirements of the conditions of the Government Grant which shall remain the responsibility of the Owners if, having used all reasonable endeavours, it has

not been able to collect the costs of the required works from all Owners.

- (e) The First Owner shall deposit a full copy of the Slope Maintenance Manual in the management office within one month from the date of this Deed for inspection by the Owners free of charge and taking copies upon payment of reasonable charges. All charges received shall be credited to the Special Fund.
- 10.9
- (a) The Schedule of Works and Installations which will require regular maintenance on a recurrent basis is incorporated into this Deed in the FOURTH SCHEDULE hereto.
 - (b) The First Owner shall compile the first Maintenance Manual for the Works and Installations for the reference of the Owners and the Manager setting out the following details:-
 - (i) As-built record plans of the building and services installations together with the necessary technical information (such as specifications of materials and design standard) for maintenance of all facilities and equipment;
 - (ii) All warranties and guarantees provided by contractors (together with the names of the companies providing the warranty and the contact telephone numbers) in respect of all facilities and equipment;
 - (iii) Recommended maintenance strategy and procedures;
 - (iv) A lists of items of the Works and Installations requiring routine maintenance;
 - (v) Recommended frequency of routine maintenance inspection;
 - (vi) Checklist and typical inspection record sheets for routine maintenance inspection;
 - (vii) Recommended maintenance cycle of the Works and Installations.
 - (c) Within one (1) month after the date of this Deed, the First Owner shall deposit a full copy of the first Maintenance Manual for the Works and Installations in the management office for inspection by the Owners free of charge and taking copies at their own expense and on payment of a reasonable charge. All charges received shall be credited into the Special Fund.
 - (d)
 - (i) The Manager shall on behalf of and at the cost and expense of the Owners inspect, maintain and carry out all necessary works for the Common Areas and Facilities including those part or parts of the Works and Installations forming part of the Common Areas and Facilities.
 - (ii) The Owners shall at their own costs and expense inspect, maintain and carry out all necessary works for the maintenance of the Development

and the Units including those part or parts of the Works and Installations forming part of their Units.

- (e) All costs incidental to the preparation of the first Schedule of Works and Installations and the first Maintenance Manual for Works and Installations shall be borne by the First Owner.
 - (f) The Owners may, by a resolutions passed at an Owners' meeting convened under this Deed, decide on revisions to be made to the Schedule of Works and Installations and the Maintenance Manual for the Works and Installations as may be necessary (e.g. the addition of works and installations in the Land and the Building, the updating of maintenance strategies in step with changing requirements, etc.) in which event the Manager shall procure a qualified professional or consultant the revised Schedule of Works and Installations and the revised Maintenance Manual for Works and Installations within such time as may be prescribed by the Owners in an Owners' meeting convened under this Deed.
 - (g) All costs and expenses of and incidental to the preparation of the revised Schedule of Works and Installations and the revised Maintenance Manual for the Works and Installations shall be paid out of the Special Fund.
 - (h) The Manager shall deposit the revised Maintenance Manual for the Works and Installations in the management office within one month from the date of its preparation for inspection by the Owners free of charge and taking copies at their own expense and on payment of a reasonable charge. All charges received shall be credited into the Special Fund.
- 10.10 The covenants and provisions of this Deed shall be binding on the parties hereto and their respective executors, administrators, successors in title and assigns and the benefit and burden thereof shall be annexed to the Units and Common Areas and Facilities and to the Undivided Share or Shares held therewith.
- 10.11 The Manager shall consult (either generally or in any particular case) the Owners' Corporation (when formed) at a general meeting of the Owners' Corporation and adopt the approach decided by the Owners' Corporation on the channels of communication among Owners on any business relating to the management of the Development.
- 10.12 Notwithstanding anything herein contained, until such time as the Lender enters into possession of the premises mortgaged or charged to the Lender under the Debenture, the covenants and obligations in this Deed contained and the liability for making any payment under this Deed and the other burden and restrictions herein imposed shall not be binding upon the Lender and no liability for any payment under this Deed shall be binding on the Lender in respect of any sums accrued prior to the Lender entering into possession.
- 10.13 In consideration of the Lender having entered into these presents, the First Owner hereby covenants with the Lender that:-

- (a) it shall fully observe and perform all the covenants herein contained to be observed and performed by the First Owner while any share or interest in any part of the Land and the Development is subject to the Debenture; and
- (b) it shall keep the Lender fully indemnified against the non-observance and non-performance of any of the said covenants.

IN WITNESS whereof the parties hereto have caused this Deed to be executed the day and year first above written.

THE FIRST SCHEDULE

Allocation of Undivided Shares

Undivided Shares

A. Residential Units 32,912

<i>Floor</i>	<i>Flat</i>	<i>Undivided Shares</i>
6/F	A #	394
	B *	266
	C *	266
	D #	393
7/F – 12/F, 15/F – 23/F, 25/F – 32/F (23 storeys)	A ^	360 each x 23 = 8,280
	B %	263 each x 23 = 6,049
	C %	263 each x 23 = 6,049
	D ^	360 each x 23 = 8,280
33/F	A ^	799
	B ^	451
35/F	A @	1017
	B @	668
Sub-Total		32,912

Remarks:

1. There is no 4/F, 13/F, 14/F, 24/F and 34/F.
- # The Flat includes utility platform and bay window thereof and flat roof adjacent thereto.
- * The Flat includes flat roof adjacent thereto.
- ^ The Flat includes balcony, utility platform and bay window thereof.
- % The Flat includes balcony and utility platform thereof.
- @ The Flat includes balcony, utility platform and bay window thereof and the roof and stairhood thereabove.

B. Commercial Accommodation 13,461

C. Common Areas and Facilities 1,000

Grand Total: **47,373**

THE SECOND SCHEDULE

The rights and privileges conferred as particularised under Part A and subject to which as specified in Part B each Undivided Share is held shall only come into effect as and when a part or parts of the Development has been issued an Occupation Permit and then only in respect of that part or parts of the Development being issued an Occupation Permit.

Part A

1. The Owner of each Undivided Share together with the full and exclusive right to hold use occupy and enjoy any part of the Development (in this Schedule referred to as “**his premises**”) shall have the benefit of the following rights and privileges SUBJECT TO the provisions of the Government Grant, this Deed, the Sub-Deed (if any), the House Rules and the rights of the Manager as provided in this Deed and the payment by the Owner of his due proportion of the management fund and Special Fund contributions and any other payments payable pursuant to this Deed:-
 - (a) Full right and liberty (but SUBJECT TO the rights of the Manager and the First Owner herein provided) for the Owner for the time being, his tenants, servants, agents, lawful occupants and licensees (in common with all persons having the like right) to go pass or repass over and along and to use or to receive the benefit of the Development Common Areas and Facilities and such of the Residential Common Areas and Facilities or any areas and facilities from time to time designated as Common Areas and Facilities under this Deed or any Sub-Deed for all purposes connected with the proper use and enjoyment of his premises SUBJECT as aforesaid;
 - (b) The right to subjacent and lateral support and to shelter and protection from the other parts of the Development SUBJECT as aforesaid;
 - (c) The free and uninterrupted passage and running of water, sewage, gas, electricity, ventilation, telephone and various other services (if any) from and to his premises through the sewers, drains, watercourses, cables, pipes and wires which now are or may at any time hereafter be in, under or passing through his premises or the Development or any part or parts thereof for the proper use and enjoyment of his premises SUBJECT as aforesaid; and
 - (d) The right for any Owner with or without workmen plant equipment and materials at all reasonable times upon reasonable prior notice (except in the case of emergency) to enter upon other parts or units of the Development for the purpose of carrying out any works for the maintenance and repair of his premises including any conducting media exclusively serving the same (such work not being the responsibility of the Manager under this Deed and which cannot practically be carried out without such access) causing as little disturbance as possible and forthwith making good any damage caused thereby SUBJECT as aforesaid. For the purpose of this sub-clause, conducting media means pipes, wires, cables, sewers, drains, water courses, trunking, ducts, flues, gutters, gullies, channels, conduits and other media.
2. In addition to the above rights and privileges the Owner of each Undivided Share of

any Residential Unit shall have the full right and liberty subject to payment of the prescribed fees (if any) (but SUBJECT TO the provisions of the Government Grant, this Deed, the Sub-Deed (if any), the House Rules and the rights of the Manager and the First Owner provided in this Deed) for the Owner for the time being, his tenants, servants, agents, lawful occupants and their bona fide visitors (in common with all persons having the like right) to go pass or repass over and along and to use the Recreational Areas and Facilities for the purposes for which they are designed PROVIDED THAT in exercising such rights of use no Owner shall interfere with or permit or suffer to be interfered with the general amenities, equipment or services provided and that each Owner shall comply with the rules (if any) made by the Manager in respect thereof, the House Rules and other regulations (if any) from time to time in force in respect of the same.

Part B

1. The following are the rights and privileges subject to which the Owner of each Undivided Share and the exclusive right to hold, use, occupy and enjoy his premises is held:-
 - (a) The full right and privilege of the Manager at all reasonable times upon prior notice (except in the case of emergency) with or without agents, surveyors, workmen and others and with or without equipment and apparatus to enter into and upon his premises for the purposes of effecting necessary repairs to or maintenance of the Development or any part or parts thereof or any of the Common Areas and Facilities therein or any other apparatus and equipment used or installed for the benefit of the Development or any part or parts thereof as part of the amenities thereof, PROVIDED THAT the Manager shall cause as little disturbance as possible and shall forthwith make good any damage caused thereby at his own costs and expense and shall be liable for negligent, wilful or criminal acts of the Manager, its staff, contractors or workmen in the course of exercising the aforesaid rights;
 - (b) The full right and privilege of the Manager at all times to extend, maintain, operate, move and have access to, over and /or into or partly into the portion of airspace above the roof or flat roof and/or roof terrace or the parapet walls of the roof or flat roof and/or roof terrace as may be determined by the Manager the gondola to service, cleanse, enhance, maintain, repair, renovate, decorate, improve and/or replace any part of any exterior of the Development, and to remain temporarily over and/or on the said airspace for such period as may be necessary for the purpose of inspecting, rebuilding, repairing, renewing, maintaining, cleaning, painting or decorating all or any part of the Common Areas and Facilities PROVIDED THAT the use and enjoyment by the Owner of the Residential Unit shall not be materially adversely affected or prejudiced thereby;
 - (c) Rights of the First Owner set forth in Clause 3.1 of this Deed; and
 - (d) Rights and privileges equivalent to those set forth in Clauses 1(b), (c) and (d) of Part A of this Second Schedule.

THE THIRD SCHEDULE

Covenants, Provisions and Restrictions

1. No Owner shall make any structural alteration to his Unit (including but not limited to the external walls, structure or facade of the Unit owned by him or any installation or fixture therein) which may damage or affect or interfere with the use and enjoyment of any other part or parts of the Development whether in separate or common occupation (in particular the supply of water, electricity, gas or other utilities) nor shall any Owner use, cut, injure, damage, alter or interfere with any part or parts of the Common Areas and Facilities or any equipment or apparatus on, in or upon the Land not being equipment or apparatus for his exclusive use and benefit.
2. Where any approved fitting out works or alterations to a Unit require any alteration to building services, including but not limited to, the sprinkler system, any ventilation and air-conditioning system, plumbing and drainage, then the Owner shall at its cost employ only the contractors nominated by the Manager for the purpose of carrying out these works.
3. No Owner shall permit or suffer to be done any act or thing in contravention of the terms and conditions of the Government Grant or whereby any insurance on the Development or any part thereof may become void or voidable or whereby the premia for any such insurance may be increased and in the event of any breach of this Clause by any Owner, in addition to any other liability incurred thereby, such Owner shall pay to the Manager the amount of any increase in premium caused by or on account of such breach.
4. No Owner shall without the prior written consent of the Manager at any time exercise or attempt to exercise any statutory or common law right to partition the Land or the Development (save and except the Commercial Accommodation) or any of the Residential Units.
5. Without prejudice to the provisions of Clause 3.1, no Owner shall do or permit or suffer to be done by his tenants, occupiers or licensees any act, deed, matter or thing which in any way interferes with or affects or which is likely to interfere with or affect the construction of any part of the Development at any time in the course of construction or the management and the maintenance of the Development.
6. (a) No Owner (including the First Owner) shall have the right to convert any part of the Common Areas and Facilities to his own use or for his own benefit unless approved by the Owners' Committee. Any payment received for the approval shall be credited to the Special Fund.

(b) (i) Subject to sub-clause (b)(ii) below, no Owner (including the First Owner) shall have the right to convert or designate any of his own areas to be Common Areas and Facilities unless the approval by a resolution of the Owners' Committee has been obtained. No Owner (including the First Owner) shall have and the Manager shall not have the right to re-convert or re-designate the Common Areas and Facilities to his or its own use or benefit save as otherwise provided for when the

area in question was so converted or designated.

- (ii) Notwithstanding sub-clause (b)(i) above, an Owner may convert or designate any of his own areas as Common Areas and Facilities for the common use or benefit of some but not all the Owners (“the affected Owners”); and in that event, only the approval of the affected Owners will be required PROVIDED THAT no expenses for the maintenance or management of such Common Areas and Facilities shall be borne or paid by any other Owners who do not share in the common use or benefit thereof. The affected Owners may not reconvert or re-designate any such Common Areas and Facilities to the own use or benefit of one or more of them unless it is so provided for when the area in question was so converted or designated.
7. No part of the Common Areas and Facilities shall be obstructed nor shall any refuse or other matter or things be placed or left thereon and no Owner shall do or suffer or permit to be done anything in such areas as may be or become a nuisance to any other Owners or occupiers of any other part of the Development.
8. No Owner shall use or permit or suffer the part of the Development owned by him to be used for any illegal or immoral purpose nor shall he do, cause or permit or suffer to be done any act or thing which may be or become a nuisance or annoyance to or cause damage to the other Owners and occupiers for the time being of the Development.
9. (a) No Owner shall use or permit or suffer any part of the Development owned by him to be used except in accordance with the Government Grant, the Occupation Permit, this Deed, any Sub-Deed and any Ordinances and Regulations from time to time applicable thereto.
- (b) No Owner shall use or cause or permit any Unit, to be used for industrial or godown purposes or for the purpose of mahjong school, funeral parlour, coffin shop, temple, buddhist hall or for the performance of the ceremony known as “Ta Chai (打齋)” or any similar ceremony or as a boarding house, apartment house or for any offensive trade or business prohibited by the Government Grant.
10. (a) No Residential Unit shall be used for any purpose other than for private residential purpose and in particular shall not be used for any form of commercial letting in bed spaces or cubicles.
- (b) The Commercial Accommodation or any part thereof shall not be used otherwise than in accordance with the Government Grant.
- SAVE AND EXCEPT that the First Owner may use any Unit and such other part(s) of the Development as show flat(s) and/or sales office for such period or periods as it shall in its discretion consider appropriate subject to the Government Grant.
11. No partitioning shall be erected or installed in a Unit which does not leave clear access for fire exits and no windows shall be wholly or partially blocked or the light and air therefrom in any way obstructed.

12. Subject to the rights of the First Owner herein provided, no Owner of a Residential Unit shall without the prior written consent of the Manager erect or place or cause or permit to be erected or placed any advertising sign or other structure on the roof, flat roof, balcony, utility platform or air-conditioning plant room forming part of his Residential Unit or any other part thereof and the Manager shall have the right to enter to remove anything erected or placed on the roof, flat roof, balcony, utility platform or air-conditioning plant room of his Residential Unit or any part thereof in contravention of this provision at the cost and expense of the Owner erecting or placing the same.
13. No Owner shall permit or suffer to be erected, affixed, installed or attached in or on or at the door or doors or entrance or entrances of any part of his Unit any metal grille or shutter or gate except with the previous written approval of the Manager.
14. No Owner shall erect, affix, install or attach or permit or suffer to be erected, affixed, installed or attached in or on or to be displayed from any Residential Unit any advertising or other sign of any description (except a small name plate outside the entrance door or gate of a Residential Unit giving the Owner's or occupier's name) without the previous written approval of the Manager. Any such approval may be given subject to such conditions as the Manager may specify and shall be subject to revocation on reasonable notice.
15. No Owner shall store or permit to be stored in any Residential Unit any hazardous, dangerous, combustible or explosive goods or materials except such as may be reasonably required for the purpose of domestic cooking and heating.
16. No Residential Unit or any part thereof shall be used for the storage of goods or merchandise other than the personal and household possession of the Owner or occupier.
17. No Owner shall cut, maim, alter, affix, interfere with or in any other way affect any pipes, valves, ducts, lightning conductors, communal television and radio aerial system, and/or cable television system (if any), fixtures or any other installation within any portion of the roofs or flat-roofs or external surfaces provided in the Development as part of the Common Areas and Facilities.
18.
 - (a) No Owner shall be entitled to connect any installation to the communal television and radio aerial system and cable television system (if any) installed by the First Owner or the Manager except with the permission of the Manager and in accordance with any House Rules relating to the same. No Owner shall affix or install his own private aerial outside any part of the Development except with the written consent of the Manager.
 - (b) No air-conditioning or other units shall without the prior written consent of the Manager be installed through any window or external wall of the Development other than at places designated for such purpose and all possible measures shall be taken to prevent excessive noise, condensation or dripping on to any part of the Land or the Development. Every Owner shall also at his own cost and expense keep and maintain the air-conditioning or other units or plants (if

any) serving exclusively his part of the Development in good repair and condition.

19. Subject to the rights of the First Owner herein provided, no Owner shall erect, install or otherwise affix or allowed to be erected, installed or otherwise affixed any external signs, signboards, notices, advertisements, flags, banners, poles, cages, shades, or other projections or structures whatsoever on the external surfaces of or extending outside the exterior of his Unit or any part of the Development or be projected from the Development or any part thereof except with the written consent of the Manager who may in its discretion impose conditions to the consent.
20. No clothing or laundry shall be hung in the Common Areas and Facilities.
21. No Owner shall keep, hang or exhibit or permit or suffer to be kept, hung or exhibited any washing, cloth, clothing or any unsightly objects or store or permit or suffer to be stored any utensils or other articles upon the flat roofs, roofs, external walls, balconies, entrance halls of the Development or any other areas which in the opinion of the Manager shall be undesirable or constitute a nuisance to other Owners or occupiers of the Development and the Manager shall have the right to remove such articles without notice at the cost of the offending Owner.
22. No Owner shall do or suffer or permit to be done anything whereby the flush or drainage system of the Development may be clogged or efficient working thereof may be impaired.
23. Not to use water closets and other water apparatus in the Development for any purpose other than those for which they were constructed nor shall any sweeping, rubbish, rags or any other articles be thrown into the same. Any damage resulting from misuse of any water closets or apparatus shall be paid for by the Owner or occupier in whose Unit it shall have been caused.
24. No Owner shall make or cause or permit any disturbing noise in his part of the Development or do or cause or permit anything to be done which will interfere with the rights, comforts and convenience of other occupants of the Development.
25. No Owner shall permit the playing of mahjong in his part of the Development between mid-night and 9 a.m. so as to cause disturbance to the Owners or occupiers of any other part of the Development.
26. No dogs, cats, birds or animals or fowls shall be kept or harboured in any part of the Development (save and except for such part or parts of the Commercial Accommodation being used as pet shop(s) or related business) if the same has been the cause of reasonable written complaint of at least two other Owners or occupiers of the Development, the reasonableness of the complaint shall be determined by the Manager at its absolute discretion. In any event no dogs shall be permitted in the Common Areas and Facilities unless carried or on leash.
27. Not to allow children to play in the Common Areas and Facilities (except such parts of the Recreational Areas and Facilities designed for children) and any damage to or discolouration to decorations in such areas and facilities by children shall be paid for

by the Owner or occupier of the Unit in which the child or children concerned reside.

28. Subject to the rights of the First Owner herein provided, no Owner shall paint the outside of the Development including any part of the Development owned by him, or do or permit to be done any act or thing which may or will alter the facade or external appearance of the Development (including any part owned by him) without the prior consent in writing of the Manager.
29. No Owner shall throw out or discard or permit or suffer to be thrown out or discarded from any part of the Development owned by him any refuse, rubbish, litter or other article or thing whatsoever except using the services or facilities provided for the disposal thereof.
30. Not to allow bicycles, baby carriages or similar vehicles to obstruct any Common Areas and Facilities.
31. No Owner shall install any furnace, boiler or other plant or equipment or use any fuel or use any method or process of manufacture or treatment which might in any circumstances result in the discharge or emission whether it be in the form of gas, smoke, liquid or otherwise and which shall in the opinion of the Manager be excessive or unnecessary or which may contravene the Air Pollution Control Ordinance (Cap. 311) or any amendments thereto.
32. No Owner shall make any alteration to or interfere with the sprinkler system, fire fighting equipment, fire alarm system, visual fire alarm system or door hold open device forming part of the Common Areas and Facilities or suffer to be done anything to such sprinkler system, fire fighting equipment, fire alarm system, visual fire alarm system or door hold open device which would constitute a breach of the Fire Services Ordinance (Cap. 95 of the laws of Hong Kong) or any by-laws or regulations made thereunder. If any alteration, addition, repair or modification to such fire fighting equipment, sprinkler system, fire alarm system, visual fire alarm system or door hold open device shall be required by any Owner then such works, subject to the prior approval of the Manager, shall be carried out by a registered fire services installations contractor at the expense of such Owner and in such manner as the Manager shall in its absolute discretion think fit.
33. No Owner shall perform installation or repair works to the electrical wiring from the switch rooms to any part or parts of the Development save with the written approval of the Manager and such works shall be carried out by the Manager or any contractor appointed by the Manager at the expense of such Owner and in such manner as the Manager shall in its absolute discretion think fit.
34. No Owner shall place on any part of the floors of the Development or in any lifts any article, machinery, goods or merchandise which may cause the maximum floor or lift loading-bearing capacity thereof (as specified on such floor or lift) to be exceeded and in the event of breach of this covenant the Owner in default shall make good any damage caused thereby to that part of the Development or any fixtures and fittings therein.
35. No Owner shall interfere with, damage or cut any tree growing on the Land or

adjacent thereto except with the prior written consent of the Government authorities and in compliance with any conditions that may be imposed by the Government and each Owner shall be responsible to remedy and indemnify the other Owners in respect of any breach of this Clause including a breach by the occupants of his Unit and their guests or visitors.

36. Every Owner shall pay and discharge all existing and future Government rent (unless the same forms part of the management expenditure pursuant to the provisions of this Deed), taxes, rates, assessments and outgoings payable in respect of such part of the Development of which he is the Owner and to indemnify the other Owners from and against all liability thereof.
37. Every Owner shall keep the roofs, flat roofs, balconies and utility platforms forming part of his Residential Unit in good, clean and tidy state and condition.
38.
 - (a) The Non-enclosed Areas shall only be used as balconies and utility platforms (as the case may be) in relation to or in connection with use and enjoyment of the Residential Units for which they are provided.
 - (b) The design and location of the Non-enclosed Areas under the Building Plans shall not be altered in any way;
 - (c) The Non-enclosed Areas shall not be enclosed above safe parapet height other than as under the Building Plans.
 - (d) Each Owner of the Non-enclosed Areas shall (i) at his own cost keep the interior of such Non-enclosed Areas in good and substantial repair and condition and shall use the same in all respects in compliance with the Occupation Permit, the Buildings Ordinance (Cap. 123 of the laws of Hong Kong) and such other Ordinances, bye-laws and regulations promulgated by the Government from time to time; and (ii) be responsible for the financial support and maintenance of the same.
 - (e) In the event of the above covenants being in breach, the Manager, without prejudice to the right of the other Owners, shall have the right to demand the defaulting Owners to remedy the breach forthwith and if necessary to reinstate the Non-enclosed Areas to their original state under the Building Plans and if the defaulting Owners shall fail to comply with the Manager's demand, the Manager shall have the right to take such steps as it may in its absolute discretion consider necessary to secure compliance with the aforesaid covenants including but not limited to the right to enter upon the Residential Units concerned (including the Non-enclosed Areas provided therein) and remove any fences, awning, grilles or any structures or things which are installed, exhibited, affixed, erected or attached to the Non-enclosed Areas or the Residential Units which are in breach of the aforesaid covenants. The defaulting Owner shall pay to the Manager all costs incurred by the Manager for or in relation to the steps taken by the Manager for the aforesaid purpose.
39. Every Owner shall comply with and observe all ordinances, bye-laws, regulations and rules for the time being in force in Hong Kong governing the control of any form of

pollution, including air, noise, water and waste pollution, and for the protection of the environment.

40. Subject to Clause 15 of this THIRD SCHEDULE, no Owner shall without the Manager's previous written approval and obtaining all necessary licences from the appropriate Government authorities store or permit or suffer to be stored in any Residential Units any hazardous, dangerous, combustible or unlawful goods or explosive substances, or any "dangerous" or "prohibited" goods within the meaning of the Dangerous Goods Ordinance (Cap.295).
41. No Owner shall do or permit or suffer to be done by his tenants, occupiers or licensees any act, deed, matter or thing or place any items in the roof, flat roof and/or roof terrace or the parapet walls of the roof, flat roof and/or roof terrace pertaining to its Residential Unit which in any way interferes with or affects or which is likely to interfere with or affect the operation of the gondola at any time in the course of the management and/or the maintenance of the Development.
42. Each Owner of Residential Unit with open kitchen shall at his own costs and expenses observe and comply with the Fire Safety Management Plan, in particular the provisions set out in the FIFTH SCHEDULE hereto, and any guideline or direction to be issued or given by the Manager from time to time relating to the implementation of the Fire Safety Management Plan and shall cause his tenants and other occupants of his Residential Unit to observe and comply with the same.

THE FOURTH SCHEDULE

Works and Installations

- (a) structural elements;
- (b) external wall finishes and roofing materials;
- (c) fire safety elements;
- (d) the slope structures (if applicable);
- (e) plumbing system;
- (f) drainage system;
- (g) fire services installations and equipment;
- (h) electrical wiring system;
- (i) lift installations;
- (j) gas supply system (for Commercial Accommodation only);
- (k) window installations; and
- (l) mechanical ventilation system.

THE FIFTH SCHEDULE

Provisions relating to the Fire Safety Management Plan

1. An Owner of Residential Unit with open kitchen (in this FIFTH SCHEDULE, the “**Relevant Owner**”) shall be responsible for maintenance and annual inspection of the sprinkler system, smoke detectors, FRR Wall and self-closing devices for doors provided within and forming part of his Residential Unit (the “**Fire Service Installations**”).
2. The Relevant Owner shall not:-
 - (a) alter, remove or obstruct the Fire Service Installations;
 - (b) alter or remove the FRR Wall of his Residential Unit;
 - (c) relocate the cooking stove in the open kitchen of his Residential Unit.
3. The Relevant Owner shall keep and maintain the Fire Service Installations in good (workable) condition at his own costs and expenses.
4. The Relevant Owner shall allow the Manager with or without the registered fire services installation contractor(s) to enter with or without workmen, contractors and others and with or without equipment and apparatus at all reasonable times on prior reasonable notice (except in case of emergency) into his Residential Unit to carry out (at the cost and expense of the Relevant Owner) regular and annual inspection and/or certification of the Fire Service Installations.
5. In the event that the Relevant Owner parts with possession of his Residential Unit, such Owner shall procure the tenant, licensee or occupier (as the case may be) to comply with the Fire Safety Management Plan, in particular the provisions set out under this FIFTH SCHEDULE, and make it a condition in the relevant agreement (if any).
6. The costs and expenses incurred by the Manager and/or the registered fire service installation contractor(s) for the maintenance and annual inspection of the Fire Service Installations shall be borne by the Relevant Owners on demand.

SIGNED as a deed and **SEALED** with)
the Common Seal of the **First Owner**)
and **SIGNED** by)
)
)
)
)
whose signature(s) is/are)
verified by :-)

SIGNED SEALED and DELIVERED)
by the **First Assignee** (Holder of Hong)
Kong Identity Card No. [] in)
the presence of:-)

INTERPRETED to the First Assignee by :-

OR (where the First Assignee adopts common seal)

SIGNED as a deed and **SEALED** with)
the Common Seal of the **First Assignee**)
in accordance with the articles of)
association and **SIGNED** by)
)
)
)
in the presence of:-)

OR (where the First Assignee does not adopt common seal)

SIGNED as a deed by)
)
)
)
duly authorized for and on behalf of the)
First Assignee in the presence of:-)

SIGNED as a deed and **SEALED** with)
the Common Seal of the **DMC Manager**)
in accordance with the articles of)
association and **SIGNED** by)
)
)
)
)
duly authorised by board resolution of)
its directors whose signature(s) is/are)
verified by :-)

SIGNED SEALED and DELIVERED)
by)
)
)
the lawful attorney of the **Lender** whose)
signature(s) is/are verified by :-)

OR

SIGNED as a deed and **SEALED** with)
the Common Seal of the **Lender** in)
accordance with the articles of)
association and **SIGNED** by)
)
)
)
duly authorised by board resolution of)
its directors whose signature(s) is/are)
verified by :-)