

- (3) Management of the Building
 - (3:01) General
 - (3:02) Powers and Duties of the Manager
 - (3:03) Manager's Remuneration
 - (3:04) Management Expenses
 - (3:05) Payment of Management Expenses and Special Fund and Enforcement Provisions
 - (3:06) Management Fund and Special Fund
 - (3:07) Preparation of Budget, Management Records and Accounts
- (4) Owners' Committee
- (5) Meetings of the Owners
- (6) Miscellaneous

First Schedule : Undivided Shares Allocation

Second Schedule : Management Shares Allocation

Third Schedule : Easements, Reservations, Rights, Privileges and Obligations

Fourth Schedule : Covenants, Provisions and Restrictions to be observed and performed by the Owners

Fifth Schedule : Works and Installations

THIS DEED OF MUTUAL COVENANT AND MANAGEMENT AGREEMENT is made the _____ day of _____ Two thousand and _____

BETWEEN :-

- (1) **ABLE BUSINESS DEVELOPMENT LIMITED** (高業發展有限公司) whose registered office is situate at [_____] (hereinafter called “the First Owner” which expression shall where the context so admits include its successors and assigns) of the first part;
- (2) [_____] (hereinafter called “the Second Owner” which expression shall where the context so admits include its successors and assigns or his executors, administrators and assigns or such survivor of his or her or their assigns) of the second part;
- (3) **GRAND MING PROPERTY MANAGEMENT LIMITED** (佳明物業管理有限公司) whose registered office is situate at [_____] (hereinafter called “the Management Company”) of the third part; and
- (4) **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED** whose registered office is situate at [_____] (hereinafter called “the Mortgagee” which expression shall where the context so admits include its successors and assigns) of the fourth part.

WHEREAS :-

- (1) (a) In this Deed the following expressions, except where the context otherwise requires, have the following meanings :-

“**Approved Plans**” The plans for the development of the Lot and/or any amendment thereto duly approved by the Building Authority.

“**Auditor**” or “**auditor**” A certified public accountant firm in Hong Kong.

“**Authorised Person**” **Choy Ka Hung** of Spiral Architectural Design Limited of 33/F, 88 Hing Fat Street, Causeway Bay, Hong Kong, and this expression shall include any other authorized person or persons as defined in Section 2(1) of the Buildings Ordinance (Cap.123) for the time being appointed by the First Owner in his place.

“**Building**” The whole of the development on and/or in the Lot known as “CRISTALLO (明寓)” comprising the Car Parks, the

Residential Units, the Common Areas and the Common Facilities.

“Building Common Areas”

The whole of the Lot and the Building which are not otherwise specifically assigned to or for the exclusive use of an Owner and are designed or intended for common use and benefit of the Owners (which do not form part of the Units, Car Park Common Areas or Residential Common Areas) and shall include but not limited to load bearing walls, floor slabs, enclosing walls of the Building Common Areas (but in the case of such enclosing walls adjoining any Unit(s), excluding the plaster and covering of the internal surface of such enclosing walls within the relevant Unit(s)), such part of the Slope and Retaining Structures within the Lot, refuse storage and material recovery chamber, fire service control room (F.S. control room), fire services and water check meter cabinet, fire services (F.S.) and sprinkler pump room, water meter room, switch rooms, emergency generator room, transformer room, pipe and/or cable ducts (which do not form part of the Units), emergency vehicular access, ramps and all other common parts specified in Schedule 1 to the Building Management Ordinance (Cap.344) (if any) within the Lot and the Building designed or intended for common use and benefit of the Owners and not otherwise specifically assigned to or for the exclusive use of an Owner (which do not form part of the Units, Car Park Common Areas or Residential Common Areas). The Building Common Areas are for the purpose of identification shown and coloured green on the plans (certified as to their accuracy by the Authorised Person) hereto annexed.

“Building Common Facilities”

- (a) Such of sprinkler water tank, flushing water tank, fire services (F.S.) water tanks, lifts, the surface channel with cover, fire alarm system, fire hydrant/hose reel system, drains, pipes, gutters, wells (if any), sewers, wires and cables, electrical and mechanical installation servicing the Building Common Areas and other services facilities whether ducted or otherwise which are or at any time may be in, under or over or passing through the Lot and the Building through which water, sewage, electricity and any other services are supplied to the Lot and the Building or any part or parts thereof which are for the use and benefit of the Lot and the Building and not for the use or benefit of a particular Unit;
- (b) Lighting including façade lighting within the Building which are for the use and benefit of the Lot and the

Building and not for the use or benefit of a particular Unit;

- (c) Automatic sprinkler system and fire detection and alarm system within the Building which are for the use and benefit of the Lot and the Building and not for the use or benefit of a particular Unit;
- (d) Planters, burglar alarm, metal gate, manned gate and security system(s) (if any) which are for the use and benefit of the Lot and the Building and not for the use or benefit of a particular Unit ;

and other facilities and systems for the common use and benefit of the Lot and the Building and not for the use or benefit of a particular Unit exclusively.

For avoidance of doubt, the term “Building Common Facilities” shall not include those facilities, equipment and other like structures forming part of the Car Park Common Facilities or the Residential Common Facilities.

The Building Common Facilities are, in so far as it is practicable to be identified on the plans, shown and coloured green on the plans (certified as to their accuracy by the Authorised Person) hereto annexed for the purpose of identification.

“Building Rules”

The rules and regulations for the time being regulating the use occupation and maintenance of the Lot and/or the Building and any of the buildings, structures, facilities, services or amenities thereof and the conduct of persons occupying using or visiting the same formulated pursuant to Clause (3:02:04) of this Deed.

“Capital Expenditure”

Expenditure of a capital nature or of a kind not expected to be incurred annually.

“Car Park” or “Car Parks”

The car parking space(s) provided pursuant to Clause No.(17)(a)(i) of the Government Grant (“Residential Car Parking Spaces”) and designated as Residential Car Parking Spaces Nos.1 to 13 on the Ground Floor; and the motor cycle parking space(s) provided pursuant to Clause No.(17)(c)(i) of the Government Grant (“Residential Motor Cycle Parking Spaces”) and designated as Residential Motor Cycle Parking Spaces Nos.MC1 and MC2 on the Ground Floor in those parts of the Building for the parking of motor vehicles or motor cycles (as the case may be). The above parking spaces are

shown on the plans (certified as to their accuracy by the Authorised Person) hereto annexed for purpose of identification.

“Car Park Common Areas”

Those parts of the Ground Floor of the Building (but excluding those parking spaces shown and delineated on the car park layout plan approved by the Building Authority, Building Common Areas and Residential Common Areas) and all other common parts specified in Schedule 1 to the Building Management Ordinance (Cap.344) (if any) within the Lot and the Building designed or intended for the common use and benefit of the Owners of the Car Parks (which do not form part of the Units, Building Common Areas or Residential Common Areas) and not otherwise specifically assigned to or for the exclusive use of the Owner of a particular Car Park and shall include but not limited to ramps, driveways and access areas. The Car Park Common Areas are for the purpose of identification shown and coloured indigo on the plans (certified as to their accuracy by the Authorised Person) hereto annexed.

“Car Park Common Facilities”

Those facilities and equipment for the common use and benefit of the Car Parks only but not other parts of the Building and not for the use and benefit of a particular Car Park exclusively and shall include but not limited to electrical and mechanical installation, plant and machinery. The Car Park Common Facilities are, in so far as it is practicable to be identified on the floor plans, shown and coloured indigo on the floor plans (certified as to their accuracy by the Authorised Person) hereto annexed for the purpose of identification.

“Common Areas”

The Building Common Areas, the Car Park Common Areas and the Residential Common Areas.

“Common Facilities”

The Building Common Facilities, the Car Park Common Facilities and the Residential Common Facilities.

“Corporation”

The corporation formed by the Owners and registered under the Building Management Ordinance (Cap.344).

“External Walls”

The external walls of the Building or any part thereof including curtain walls, architectural features, parapet walls and the windows and window frames of the Common Areas but excluding the plaster and covering of the internal surface of the walls facing the Units, the windows, window frames and sealant around window frames of the Units, the openable windows installed in the curtain walls and the frames

enclosing the glass panels of such openable windows, glass panels, hinges, locks, handles, cast-in anchors, gasket, window sealant and such other components of such openable windows.

“Government Grant”	Government Lease dated 4 February 1939 as varied or modified by a Modification Letter registered in the Land Registry by Memorial No.15120801430016 in respect of the Lot and any variation or modification thereto from time to time.
“Government”	The Government of Hong Kong.
“Hong Kong”	The Hong Kong Special Administrative Region.
“Lot”	Kowloon Inland Lot No.2453.
“Maintain” or “maintain”	Unless otherwise specified, includes but not limited to inspection and testing by the Manager or experts appointed by the Manager, repair, uphold, support, rebuild, renovate, overhaul, pave, purge, scour, cleanse, empty, amend, keep, replace, paint, decorate and improve and provide for such of the foregoing as may be applicable in the circumstances and in the interest of good estate management and the expression “maintenance” shall be construed accordingly.
“Maintenance Manual”	The maintenance manual for the Slope and Retaining Structures prepared in accordance with “Geoguide 5 - Guide to Slope Maintenance” issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and approved by the relevant Government department.
“Management”	All or any of the activities normally associated with management including but not limited to operation, servicing, cleaning, enhancement, maintenance, repair, renovation, decoration, improvement, replacement, security, insurance and all duties and obligations to be performed and observed by the Manager as herein provided.
“Management Expenses”	All expenses, costs and charges necessarily and reasonably incurred in the management of the Lot and the Building or any portion thereof in accordance with the terms of this Deed.
“Management Fee”	The amount or due proportion of estimated Management Expenses and Manager’s Remuneration payable monthly by the Owner in respect of each Unit owned by him.
“Management Fund”	All the monies to be collected received or held by the

Manager pursuant to this Deed excluding the Manager's Remuneration and the Special Fund only.

“Management Shares”

The Management Shares allocated to the Units as set out in the Second Schedule hereto.

“Manager”

The Management Company or any other Manager for the time being appointed as manager of the Lot and the Building pursuant to the provisions of this Deed.

“Manager's Remuneration”

The remuneration of the Manager as provided in this Deed.

“Mortgage”

A Mortgage dated 2 November 2017 made between the First Owner and the Mortgagee registered at the Land Registry by Memorial No.17110900700031 as may from time to time be varied or supplemented.

“Occupation Permit”

The temporary or permanent written permission issued by the Building Authority under the provisions of the Buildings Ordinance (Cap.123) for the Building to be occupied.

“Owner” or “Owners”

Each person in whom for the time being any Undivided Share(s) as set out in the First Schedule hereto of and in the Lot and the Building is vested and who for the time being appears from the records at the Land Registry to be the owner of any Undivided Share and every joint tenant or tenant in common of any such Undivided Share(s) and where any such Undivided Share(s) has been mortgaged or charged the word shall include both mortgagor or chargor and his registered mortgagee/chargee in possession or one who has foreclosed such Undivided Share(s) PROVIDED that the voting rights conferred on the Owner (which is being defined herein) of such Undivided Share(s) by the provisions of this Deed shall be exercisable only by the mortgagor or chargor unless the registered mortgagee or chargee is in possession of or has foreclosed such Undivided Share(s).

“Owners' Committee”

A committee of the Owners established in accordance with the provisions in this Deed.

“Recreational Areas”

The areas intended for recreational use by the residents of the Residential Units and their bona fide visitors which shall include but not limited to gymnasium, function room, lavatories and unisex disabled toilet (UNISEX DIS. TOILET) situated within the Residential Common Areas as for the purpose of identification shown on the First Floor Plan (certified as to its accuracy by the Authorised Person) hereto

annexed.

“Recreational Facilities”

The recreational facilities and facilities ancillary thereto provided or installed for recreational use by the residents of the Residential Units and their bona fide visitors pursuant to Clause No.(6)(a) of the Government Grant.

“Residential Common Areas”

Those parts of the Lot and the Building designed or intended for the common use and benefit of the Owners of the Residential Units and not otherwise specifically assigned to or for the exclusive use of an Owner of a Residential Unit (which do not form part of the Units, Building Common Areas or Car Park Common Areas) and shall include but not limited to the Recreational Areas, Visitors’ Car Parks, loading and unloading spaces, water meter room, electricity meter room, air-conditioning platforms (A/C platforms), air-conditioning plant rooms (A/C plant rooms), telecommunication broadcasting equipment room (TBE room), hose reel (H.R.) cabinet, water meter cabinets (WMC), areas for installation of satellite dishes and/or TV antennae, areas for installation or use of aerial broadcast distribution facilities and telecommunications network facilities, refuse storage and material recovery rooms (RS & MRR), mail delivery area with mailboxes, potable and flushing water tank pump room, lift machine room, transfer plate, pipe wells, lift lobbies including fireman’s lift lobbies, lobbies, toilet lobby, lift shafts, corridors, staircases, lift pit, plant rooms, air ducts, pipe ducts (P.D.)(which do not form part(s) of Residential Units or Building Common Areas), parts of the roof (other than the flat roofs), top roof, canopy, pump rooms, switch rooms, parapet wall, the External Walls of the First Floor and above of the Building, floor slabs (which do not form part of the Units), enclosing walls of the Residential Common Areas (but in the case of such enclosing walls adjoining any Unit(s), excluding the plaster and covering of the internal surface of such enclosing walls within the relevant Unit(s)) and all other common parts specified in Schedule 1 to the Building Management Ordinance (Cap.344) (if any) within the Lot and the Building designed or intended for the common use and benefit of the Owners of the Residential Units and not otherwise specifically assigned to or for the exclusive use of an Owner of a Residential Unit. The Residential Common Areas are for the purpose of identification shown and coloured yellow on the plans (certified as to their accuracy by the Authorised Person) hereto annexed.

“Residential Common Facilities”

Those facilities and ancillary equipment for the common use and benefit of the Residential Units only and not for the use

and benefit of a particular Residential Unit exclusively and shall include but not limited to the Recreational Facilities, water tanks, water pumps, drains, pipes, gutters, sewers, fire-fighting system, wires and cables, electrical equipment, air-conditioning or mechanical installation, lighting, burglar alarm, metal gate, security system, gas pipes, air-conditioning system, aerial broadcast distribution facilities, telecommunications network facilities, satellite dishes, TV antennae, lifts and manual fire alarm for the common use and benefit of the Residential Units. The Residential Common Facilities are, in so far as it is practicable to be identified on the plans, shown and coloured yellow on the plans (certified as to their accuracy by the Authorised Person) hereto annexed for the purpose of identification.

**“Residential Unit” or
“Residential Units”**

The Unit(s) (including, where applicable, the plaster and other internal covering of the External Walls enclosing the Unit and the plaster and covering of the internal surface of other enclosing walls abutting on the Common Areas enclosing the Unit (but not any other part of those walls), all internal walls of the Unit, in the case of a party wall adjoining two Units only up to the mid point of such party wall, windows, window frames and sealant around window frames, the openable windows installed in any curtain walls enclosing the Unit and the frames enclosing the glass panels of such openable windows, glass panels, hinges, locks, handles, cast-in anchors, gasket, window sealant and such other components of such openable windows, bay windows (if any), the flat roofs (if any) and/or the pipe ducts serving exclusively thereto or held therewith) within the Building for residential use in accordance with the Approved Plans.

**"Slope and Retaining
Structures"**

All slopes, slope treatment works, retaining walls and other structures within or outside the Lot and the Building, the maintenance of which is the liability of the Owners under the Government Grant or this Deed as for the purpose of identification only shown and coloured brown on the Slope and Retaining Structures Plan (certified by the Authorised Person that it included all such slope structures as at the date of this Deed) hereto annexed.

“Special Fund”

The fund with three separate accounts for the respective types of Common Areas and Common Facilities of the Building constituted pursuant to Clause (3:05:04)(d) of this Deed.

**“Undivided Share” or
“Undivided Shares”**

All those 3,264 equal undivided parts or shares of and in the Lot and the Building allocated to the Units and the Common Areas and Common Facilities as set out in the First Schedule

hereto.

- “Unit” or “Units”** The Residential Unit(s) or Car Park(s) of the Building of which the Owner, as between himself and Owners or occupiers of other parts of the Building, is entitled to the exclusive possession.
- “Visitors’ Car Park” or “Visitors’ Car Parks”** The car parking spaces provided pursuant to Clause 17(a)(iii) of the Government Grant as shown and marked “V1” and “V2” on the Ground Floor Plan (certified as to its accuracy by the Authorised Person) annexed hereto and thereon coloured yellow for the purpose of identification only.
- “Works and Installations”** The major works and installations in the Building requiring regular maintenance on a recurrent basis as set out in the Fifth Schedule hereto.

(b) In this Deed (if the context permits or requires) reference to the singular shall include the plural and vice versa and reference to the masculine gender shall include the feminine or neuter gender and words importing persons shall include corporation and vice versa.

(2) The Lot and the Building have been notionally divided into 3,264 equal Undivided Shares and allocated to the Residential Units, Car Parks and the Common Areas and Common Facilities as set out in the First Schedule hereto.

(3) By a Partial Release bearing even date herewith and made between the Mortgagee of the one part and the First Owner of the other part and for the consideration therein expressed, the Second Owner’s Unit referred to in Recital (4) below was released from the Mortgage and reassigned by the Mortgagee to the First Owner.

(4) By an Assignment bearing even date herewith and made between the First Owner and the Second Owner, the First Owner assigned to the Second Owner All Those [] equal undivided 3,264th parts or shares of and in the Lot and the Building together with the exclusive right to hold use occupy and enjoy All That Flat [] on the [] Floor [and All That [Residential Car/Residential Motor Cycle] Parking Space No.[] on the Ground Floor] of the Building.

(5) The Lot and the Building are vested in the First Owner and the Second Owner as Tenants in Common as to [] equal undivided 3,264th parts or shares thereof in the First Owner and as to [] equal undivided 3,264th parts or shares thereof in the Second Owner for the residue of the term of years created by the Government Grant subject to the payment of the rent and to the observance and performance of the terms and conditions reserved and contained in the Government Grant and subject to the interest of the Mortgagee under the Mortgage so far as the interest of the First Owner is concerned.

(6) The parties hereto have agreed to enter into this Deed for the purpose of making provisions for the management, maintenance, insuring and servicing of the Lot, the Building

and its equipment, services and apparatus, and for the purpose of defining and regulating the rights, interests and obligations of the Owners in respect of the Lot and the Building and to provide for a due proportion of the common expenses of the Lot and the Building to be borne by the Owners.

NOW THIS DEED WITNESSETH as follows :-

(1) **MUTUAL GRANTS, EXCEPTIONS TO THE FIRST OWNER ETC.**

(1:01) The First Owner shall at all times hereafter for the residue/entitlement of the term created by the Government Grant have the full and exclusive right and privilege to hold use occupy and enjoy all the Units set out in the First Schedule hereto (save and except the Unit(s) set out in Clause (1:02) of this Deed and the Common Areas and the Common Facilities) Together with the appurtenances thereto and the entire rents and profits thereof to the exclusion of the Second Owner subject however to and with the benefit of this Deed and subject to the interest of the Mortgagee under the Mortgage so far as they are still subsisting.

(1:02) The Second Owner shall at all times hereafter for the residue/entitlement of the term created by the Government Grant have the full and exclusive right and privilege to hold use occupy and enjoy All That Flat [] on the [] Floor [and All That [Residential Car/Residential Motor Cycle] Parking Space No.[] on the Ground Floor] of the Building Together with the appurtenances thereto and the entire rents and profits thereof to the exclusion of the First Owner subject however to and with the benefit of this Deed.

(1:03) Each Undivided Share and the full and exclusive right and privilege to hold use occupy and enjoy any part of the Lot and/or the Building held therewith shall be held by the person or persons from time to time entitled thereto subject to and with the benefit of the easements reservations rights privileges and obligations set out in the Third Schedule hereto.

(1:04) The Owners shall at all times hereafter be bound by and shall observe and perform the covenants provisions and restrictions contained herein and in the Fourth Schedule hereto.

(1:05) Subject to Clause (1:06) of this Deed, every Owner shall have the full right and liberty without reference to the other Owners or any person or persons otherwise interested in any other Undivided Share(s) or interest of and in the Lot and/or the Building in any way whatsoever and without the necessity of making such other Owners or other persons a party to the transaction to sell, assign, mortgage, charge, lease, let, licence or otherwise dispose of or deal with his Undivided Shares and interest in the Lot and the Building together with the exclusive right and privilege to hold use occupy and enjoy such Units and any part of the Building to which the exclusive right is vested subject to and with the benefit of this Deed but not otherwise Provided that such assignment shall contain a covenant provided in Clause (1:08) and paragraph (1) of the Fourth Schedule hereof.

(1:06) (a) The right to the exclusive use occupation and enjoyment of any part of the Lot and/or the Building shall not be sold assigned mortgaged charged leased or otherwise dealt with separately from the Undivided Share(s) with

which the same is held Provided Always that the provisions of this Clause shall not extend to a lease or tenancy or licence the term of which does not exceed 7 years.

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

(c) The Owner of Residential Car Parking Space(s) or Residential Motor Cycle Parking Space(s) shall not : (1) assign the same or any interest therein without also and at the same time assigning the Undivided Shares of and in the Lot and the Building together with the right to the exclusive use and occupation of a Residential Unit or Residential Units; nor (2) underlet the same or any interest therein or enter into any agreement so to do except to the resident of a Residential Unit PROVIDED THAT nothing herein contained shall prevent the assignment of a Residential Car Parking Space or Residential Motor Cycle Parking Space to any person who is already at that time the Owner of the Undivided Shares of and in the Lot and the Building together with the right to the exclusive use and occupation of a Residential Unit or Residential Units PROVIDED FURTHER THAT not more than three in number of the total of the Residential Car Parking Spaces and the Residential Motor Cycle Parking Spaces shall be assigned to the Owner or underlet to the resident of any one Residential Unit.

(1:07) Each and every Owner covenants with the First Owner with the intent that the covenants, rights, entitlements, exceptions and reservations herein conferred upon the First Owner shall bind each and every Owner and their respective successors and assigns and are intended to run and shall run with the Lot and the Building and any interest therein that the First Owner shall for as long as it remains the beneficial owner of any Undivided Shares have the sole and absolute right in its 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 which are hereby expressly excepted and reserved unto and granted and conferred upon the First Owner:-

(a) the right to change, amend, vary, add to or alter the Approved Plans for such part or part(s) of the Building owned by the First Owner or any part or part(s) thereof from time to time without the concurrence or approval of any Owner or any of the parties hereto and to enter into and upon all parts of the Lot and the Building with all necessary equipment, plant and materials for the purposes of constructing and completing the Building but nothing herein shall absolve the First Owner from the requirements of obtaining the prior written consent of the Director of Lands or other Government authorities pursuant to the Government Grant or other applicable legislation and no such change, amendment, variation, addition or alteration (save for those involving the structural alteration which will interfere with or affect the rights of other Owners) shall give to the Owners any right of action against the First Owner PROVIDED THAT (i) any administrative fee, approval fee and all other costs and expenses as may be required for such change, amendment, variation,

addition or alteration shall be borne by the First Owner; (ii) any such change, amendment, variation, addition or alteration, and the works necessitated thereby shall not adversely affect or interfere with the Owners' right to the exclusive use occupation and enjoyment of their Units and/or the access to and from such Units and/or the use and enjoyment by any Owner of the Common Areas and the Common Facilities; (iii) the works aforesaid shall be carried out and completed with due diligence in accordance with or in compliance of the provisions of the Government Grant and all relevant Ordinance and Regulations and without negligence or delay and causing the least disturbance and inconvenience to the Owners; (iv) the First Owner shall have no right to enter into those parts of the Building already assigned to or exclusively owned by other Owners without obtaining those Owners' consent; and (v) the First Owner shall at its own expense make good all damage caused to other Owners as a result of the exercise of the rights under this sub-clause;

- (b) subject to the prior written approval by a resolution of Owners at an Owners' meeting convened under this Deed, the right for the First Owner, without the necessity to join in any other Owners as party, to apply to the Government to amend, vary or modify the Government Grant Provided that such modification shall not interfere with the other Owners' right to hold, use, occupy and enjoy their Units and/or impede or restrict the access to and from their Units;
- (c) the full and unrestricted right without interference by the other Owners to designate or re-designate the numbering for those Units and the numberings of the Car Parks which are owned by the First Owner and to alter the use of any part of the Building owned by the First Owner to other uses subject to the Government Grant and PROVIDED THAT the exercise of the aforesaid right shall not interfere with the other Owners' right to hold, use, occupy and enjoy their Units and/or impede or restrict the access to and from their Units;
- (d) subject to the approval of the Director of Lands, the right to adjust and/or allocate and/or sub-allocate the number of Undivided Shares in the Lot and the Building in respect of any parts thereof retained by the First Owner and the Management Shares relating thereto provided that such adjustment, allocation and/or sub-allocation shall not affect the other Owners' sole and exclusive right and privilege to hold use and occupy their part or parts of the Building or impede or restrict the access to or from such part or parts of the Building, and that such adjustment, allocation and/or sub-allocation shall not increase the proportion of other Owners' contribution to Management Expenses and should not result in disproportionate voting rights being granted and the prevention or hinderance of the incorporation of the Corporation;
- (e) subject to the approval by a resolution of the Owners at an Owners' meeting convened under this Deed, the right to construct maintain lay alter remove re-route and renew drains, pipes, cables, sewers and other installations, fittings, chambers and other similar structures within the Lot and the Building for purpose of supplying services to the Lot provided that the exercise of the aforesaid right shall not interfere with the rights of the other Owners to hold,

use, occupy and enjoy their Units and shall not impede or restrict the access to and from the other Units by their Owners;

- (f) the right to alter and/or demolish any part of the Building of which the exclusive right to hold use and occupy is vested in the First Owner (including any walls and partition vested in the First Owner) provided that necessary consent or approval is obtained from the relevant Government authorities and any structural alteration or demolition carried out under this clause shall not interfere with or affect the rights of the other Owners to hold, use, occupy and enjoy their Units and the access to and from the other Units by their Owners will not be impeded or restricted as a result of the exercise of the right under this clause;
- (g) subject to the approval of the Owners' Committee, the right to convert any part of the Common Areas and the Common Facilities to the First Owner's own use or for the First Owner's own benefit PROVIDED THAT any payment received for the approval must be credited to the relevant account of the Special Fund and the exercise of such right shall not interfere with the other Owners' right to hold, use, occupy and enjoy their Units and impede or restrict the access to and from their Units provided also that such conversion shall comply with the requirement of the Government Grant;
- (h) subject to the approval by a resolution of the Owners at an Owners' meeting convened under this Deed, the right to convert, designate and declare by deed any area or part or parts of the Building and/or facilities and/or equipment, 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 Building Common Areas or additional Residential Common Areas or additional Car Park Common Areas and/or additional Building Common Facilities or additional Residential Common Facilities or additional Car Park Common Facilities whereupon with effect from such conversion, designation and declaration such additional Building Common Areas or additional Residential Common Areas or additional Car Park Common Areas and/or additional Building Common Facilities or additional Residential Common Facilities or additional Car Park Common Facilities shall form part of the Building Common Areas or the Residential Common Areas or the Car Park Common Areas and/or the Building Common Facilities or the Residential Common Facilities or the Car Park Common Facilities as provided in this Deed (as the case may be) and the Owners shall contribute to the maintenance and upkeep of the same as being part of the Building Common Areas or the Residential Common Areas or the Car Park Common Areas and/or the Building Common Facilities or the Residential Common Facilities or the Car Park Common Facilities (as the case may be) PROVIDED THAT in making such conversion, designation and declaration the First Owner shall not interfere with or affect in any way the other Owners' right to hold, use, occupy and enjoy their Units nor impede or restrict the access to and from their Units and that such areas and facilities to be so designated and declared shall be for the beneficial use of the Owners

PROVIDED FURTHER THAT no Owner (including the First Owner) and no Manager shall have the right to re-convert or re-designate such Common Areas and Common Facilities to his or its own use or benefit; and

- (i) notwithstanding anything herein contained, the right and obligation to assign the whole of the Undivided Shares in the Common Areas and Common Facilities (but not a part thereof) upon execution of this Deed and those parts designated and declared as additional Building Common Areas or additional Residential Common Areas or additional Car Park Common Areas and/or additional Building Common Facilities or additional Residential Common Facilities or additional Car Park Common Facilities pursuant to Clause (1:07)(h) of this Deed after such conversion, designation and declaration to the Manager free of cost or consideration to be held on trust for all Owners and for the general amenity of the Owners and other occupants of the Building Subject to the Government Grant and to this Deed. Such Undivided Shares together with the exclusive right to hold, use, occupy and enjoy the Common Areas and Common Facilities shall be assigned to and vested in the Manager free of costs or consideration upon execution of this Deed and shall upon such assignment to the Manager be held by the Manager as trustee for all Owners for the time being and in the event the Manager shall resign or be wound up or have an order for appointment of receiver or a bankruptcy order (as the case may be) made against it or is removed and another manager be appointed in its stead in accordance with this Deed, then the outgoing Manager or the liquidator or the receiver shall assign such Undivided Shares together with the Common Areas and Common Facilities which they represent free of costs or consideration to the new manager PROVIDED ALWAYS THAT nothing herein contained shall in any way fetter or diminish the rights, powers, authorities and entitlements of the Manager contained in this Deed PROVIDED FURTHER THAT when the Corporation has been formed, the Manager shall, at any time if required by the Corporation, assign the Undivided Shares allocated to the Common Areas and Common Facilities together with the right to use the Common Areas and the Common Facilities to the Corporation free of costs or consideration.

For the purpose of this Clause (1:07), the First Owner shall exclude its assigns.

- (1:08) (a) In order to secure the performance of the covenant contained in Clause (1:07), the Owners hereby jointly and severally and irrevocably APPOINT the First Owner to be 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 acts and deeds deliver such deeds and to sign such documents or instruments as may be necessary for the exercise of or incidental to all or any of the rights of the First Owner mentioned in Clause (1:07) with the full power of delegation and the Owners hereby further jointly and severally and irrevocably undertake 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 the abovementioned grant.

(b) An Owner shall not be entitled to assign the part of the Building which he owns (“the Property”) unless the Assignment includes a covenant in substantially the following terms:

“The Purchaser covenants with the Vendor for itself and as agent for Able Business Development Limited (hereinafter referred to as “the developer”) (as the case may be) for the purpose of enabling the developer to exercise all or any of the covenants, rights, liberty, privileges, entitlements, exceptions and reservations granted under Clause (1:07) of the Deed of Mutual Covenant and Management Agreement dated [] relating to the building of which the Property forms part (hereinafter referred to as “the Deed of Mutual Covenant”) and to the intent that these covenants shall run with the Property and be binding on the Purchaser his executors administrators successors in title and assigns and the owner or owners thereof for the time being and any 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 Covenanting Purchaser”) and shall enure for the benefit of the Building and be enforceable by the Vendor and/or the developer (as the case may be) that :-

- (i) the Covenanting Purchaser grants confirms and acknowledges the covenants, rights, liberty, privileges, entitlements, exceptions and reservations granted and conferred on the developer under Clause (1:07) of the Deed of Mutual Covenant and the Covenanting Purchaser shall not do or permit anything to be done which will in any way affect or hinder the exercise of the said covenants, rights, liberty, privileges, entitlements, exceptions and reservations by the developer;
- (ii) the Covenanting Purchaser shall, if required by the developer, do everything necessary, including giving express consents in writing to the exercise of the said covenants, rights, liberty, privileges, entitlements, exceptions and reservations by the developer, to facilitate the exercise of the said covenants, rights, liberty, privileges, entitlements, exceptions and reservations by the developer;
- (iii) in order to secure the performance of the covenants contained in the said Clause (1:07), the Covenanting Purchaser hereby (jointly and severally) expressly and irrevocably appoints the developer to be his attorney (with full power of substitution and delegation and, who may act through such officers, employees, agents, nominees and any substitute attorneys as the developer from time to time appoints) and grants unto the developer 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 Covenanting 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 said covenants, rights, liberty, privileges, entitlements, exceptions and reservations conferred on the developer as aforesaid with the full power of delegation and the Covenanting 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 will ratify and confirm all that the developer shall lawfully do or cause to be done and that the power of attorney hereby given shall bind the executor(s) and the administrator(s) and the successor(s) and the assigns of the Covenanting Purchaser and shall not be revoked by the Covenanting Purchaser or by the death incapacity or the winding up (as the case may be) of the Covenanting Purchaser; 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 substantially the same in scope and extent as the covenants (i), (ii) and (iii) hereinbefore contained and this covenant (iv)

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),(iii) and (iv) hereinbefore contained.”

(2) **PARTY WALLS**

(2:01) Owners who have a common wall adjoining their respective Units shall each have the right to the use of the interior surface of the wall on his side subject to an obligation to maintain repair and reinstate such interior surface. Without prejudice to the said obligation, if the wall or any portion thereof (being not structural wall nor load bearing wall under the Approved Plans and not forming part of the Common Areas) is damaged or injured for any cause other than the act or negligence of either Owner, it shall be repaired or rebuilt or reinstated at their joint cost and expense with each bearing half of such cost and expense and such Owners shall repair rebuild or reinstate the wall and contribute to such cost and expense forthwith.

(2:02) Neither Owner in respect of a common wall adjoining their respective Units shall use any portion of the wall so as to interfere with the use and enjoyment of the other Owner in respect thereof. Neither Owner shall put structures of any kind onto or so near to the wall as to cause leakage of water or damage to the other side of the wall or as to be likely to cause the wall to collapse, nor can the Owner(s) in any way demolish or alter the wall

provided that an Owner owning such adjoining Units with the common wall may demolish or alter the common wall (being not structural wall nor load bearing wall under the Approved Plans and not forming part of the Common Areas) with the necessary approval of the Buildings Department and other relevant governmental authority and in compliance with the Buildings Ordinance (Cap.123) and other relevant laws ordinances and regulations and provided further that if such adjoining Units cease to be under the ownership of same Owner, the Owners of such adjoining Units shall as soon as practicable rebuild or reinstate the common wall to the original state and condition at their joint cost and expense.

(3) **MANAGEMENT OF THE BUILDING**

(3:01) **General**

- (3:01:01) (a) Subject to the provisions of the Building Management Ordinance (Cap.344), the management of the Lot and the Building shall for an initial period of two years from the date of this Deed be undertaken by the Management Company. Prior to the formation of the Corporation, the Owners' Committee may at any time terminate the Manager's appointment without compensation by giving not less than three (3) months' notice in writing to the Manager and by a resolution passed by a majority of votes of Owners voting either personally or by proxy in an Owners' meeting and supported by the Owners of not less than 50% of the Undivided Shares in aggregate (excluding the Undivided Shares allocated to the Common Areas and Common Facilities).
- (b) No resignation of the Manager shall take effect unless he has previously given not less than 3 months' notice in writing of his intention to resign: -
- (i) by sending such a notice to the Owners' Committee; or
- (ii) 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 Building.
- (c) The notice referred to in sub-clause (b)(ii) may be given :-
- (i) by delivering it personally to the Owner; or
- (ii) by sending it by post to the Owner at his last known address; or
- (iii) by leaving it at the Owner's Unit or depositing it in the letter box for that Unit.
- (3:01:02) (a) Subject to sub-clause (d), at a general meeting convened for the purpose, the Corporation may, by a resolution:-

- (i) passed by a majority of the votes of the Owners voting either personally or by proxy; and
- (ii) supported by the Owners of not less than 50% of the Undivided Shares in aggregate,

terminate by notice the Management Company's appointment as Manager without compensation.

- (b) A resolution under sub-clause (a) shall have effect only if :-
 - (i) the notice of termination of appointment is in writing;
 - (ii) 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 Management Company for the payment to him of a sum equal to the amount of remuneration which would have accrued to him during that period;
 - (iii) the notice is accompanied by a copy of the resolution terminating the Management Company's appointment; and
 - (iv) the notice and the copy of the resolution is given to the Management Company within 14 days after the date of the meeting.
- (c) The notice and the copy of the resolution referred to in sub-clause (b)(iv) may be given :-
 - (i) by delivering them personally to the Management Company; or
 - (ii) by sending them by post to the Management Company at his last known address.
- (d) For the purposes of sub-clause (a): -
 - (i) 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;
 - (ii) the reference in sub-clause (a)(ii) 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.
- (e) If a contract for the appointment of a Manager other than the

Management Company contains no provision for the termination of the Manager's appointment, sub-clauses (a), (b), (c) and (d) apply to the termination of the Manager's appointment as they apply to the termination of the Management Company's appointment.

- (f) Sub-clause (e) operates without prejudice to any other power there may be in a contract for the appointment of a Manager other than the Management Company to terminate the appointment of the Manager.
- (g) If a notice to terminate a Manager's appointment is given under this Clause: -
 - (i) no appointment of a new Manager shall take effect unless the appointment is approved by a resolution of the Owners' Committee (if any); and
 - (ii) if no such appointment is approved under sub-clause (i) by the time the notice expires, the Corporation may appoint another Manager and, if it does so, the Corporation shall have exclusive power to appoint any subsequent Manager.
- (h) 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 Building, and the Corporation has appointed a Manager under sub-clause (g)(ii), the Corporation shall be deemed to have given to that person an instrument of indemnity under which the Corporation shall be liable to indemnify that person in respect of any act or omission by the Manager appointed under that sub-clause that may otherwise render that person liable for a breach of that undertaking or agreement.
- (i) This Clause is subject to any notice relating to the Building that may be published by the Secretary for Home Affairs under section 34E(4) of the Building Management Ordinance (Cap. 344) but does not apply to any single manager referred to in that section.

(3:01:03) Subject to the provisions of the Building Management Ordinance (Cap.344), each Owner hereby irrevocably appoints the Manager as agent and attorney for and on behalf of all the Owners in respect of any matter concerning the Common Areas and Common Facilities or any part(s) thereof and all other matters duly authorised in accordance with the provisions of this Deed and the Manager will have the authority to act for and on behalf of all Owners in accordance with the provisions of this Deed.

(3:01:04) If the Manager shall resign by giving not less than 3 months' notice in writing to the Owners' Committee or where there is no Owners' Committee, to each of the Owners and by displaying such a notice in a prominent place in the building then the Owners shall as soon as possible thereafter at a meeting of the Owners by resolution appoint another person or corporation in its stead. On the appointment of any Manager as aforesaid, the Owners

shall forthwith enter into a Management Agreement with the new Manager defining the rights, duties and obligations of the new Manager.

(3:01:05) The Manager shall be bound by and shall observe and perform all of the conditions, duties and obligations contained in this Deed and shall have all of the rights, powers and privileges granted by this Deed to the Manager.

(3:01:06) Notwithstanding anything herein contained, during the existence of the Corporation, the rights, duties, powers and obligations for the control, management and the administration of the Lot and the Building conferred by this Deed on the Manager may be continued to be exercised or performed by the Manager on behalf of the Corporation at the request of the Corporation until the Manager's appointment is terminated under this Deed; and the general meeting of the Corporation convened under the Building Management Ordinance (Cap.344) shall take the place of the meeting of Owners convened under this Deed and where a management committee of the Corporation is or has been appointed, the management committee shall take the place of the Owners' Committee under this Deed.

(3:01:07) The Manager shall assign all the Common Areas and the Common Facilities and the Undivided Shares thereof free of costs or consideration to its successor as manager when it ceases to be the Manager for whatsoever reasons or to the Corporation (if formed) at any time if so required by the Corporation to be held on trust for all Owners.

(3:01:08) The Manager shall consult (either generally or in any particular case) the Corporation at a general meeting of the Corporation and adopt the approach decided by the Corporation on the channels of communication among Owners on any business relating to the management of the Building.

(3:02) Powers and Duties of the Manager

(3:02:01) Save and except as otherwise expressly provided in this Deed, the Manager shall be responsible for and shall have full authority to do all such acts and things as may be necessary or requisite for and in connection with the proper and efficient management of the Building, including in particular but without in any way limiting the generality of the foregoing :-

- (a) to maintain in good, clean and safe condition the Common Areas and the Common Facilities and for this purpose to employ competent contractors and workmen;
- (b) to take reasonable steps to ensure that all Owners or occupiers of the Units maintain the Unit(s) owned or occupied by them in a satisfactory manner so as not to cause any damage or nuisance to other Units or the Common Areas or Common Facilities and if there shall be any default on the part of any such Owners or occupiers, to put in hand any necessary maintenance and to take all necessary steps to recover the cost thereof from the defaulting Owner or occupier Provided That if the defaulting Owner or occupier causes damage or nuisance to other Units because of his failing to maintain the Unit owned or occupied by him in

a satisfactory manner, the Manager shall have the right but shall not be obliged to put in hand such necessary maintenance and to take such necessary steps to recover the cost thereof from the defaulting Owner or occupier;

- (c) to paint, white-wash, tile or otherwise treat as may be appropriate the exterior of the Building all structures erected on the Common Areas or forming part of the Common Facilities at such intervals as the same may reasonably be required to be done and in the event if so required by any Government departments;
- (d) to prevent any decaying, noisome, noxious, excrementitious or other refuse matter from being deposited on the Common Areas or any part thereof and to specify locations in the Building for disposal of refuse or garbage by Owners and occupiers of the Units and to collect and remove all such refuse and garbage from such specified locations and also to arrange for disposal of refuse and garbage from the Common Areas and Common Facilities at such regular intervals and to maintain on the Building refuse collection facilities PROVIDED THAT in the case of refuse the nature or quality or quantity of which shall in the opinion of the Manager require special arrangement or facility for its disposal beyond the normal refuse collection facilities employed by the Manager, the Owner responsible for such refuse shall arrange for its disposal at his own expenses forthwith upon being so demanded by the Manager, failing which the Manager shall have the sole discretion to remove and dispose of such refuse as aforesaid and such Owner shall repay to the Manager the costs and expenses in connection with such removal and disposal;
- (e) to prevent the obstruction of all the Common Areas and to remove and/or impound at the cost and expense of the defaulting Owner or occupier any article or thing causing the obstruction and to demolish illegal structures and/or extensions;
- (f) to repair and keep in good repair and condition the main building structure, the External Walls forming parts of the Common Areas, top roof, roof (other than the flat roofs), refuge areas, parapet walls, the fabric of the Building and the Common Areas;
- (g) to keep all the Common Facilities in good and working order and whenever it shall be necessary or convenient so to do at the Manager's discretion to renew or replace the same and enter into contracts with third parties for the maintenance of any such Common Facilities;
- (h) to keep such of the lavatories, drains and sewers as are in common use and not for the use of any particular Unit in the Building in good clean and sanitary repair and condition and to renew or replace any parts that may become damaged or defective;

- (i) to prevent as far as is possible any refuse or other matter being deposited, washed, eroded or falling from the Lot and/or the Building into any part of any road, culverts, sewers, drains, nullahs or Government property and to remove any such matter therefrom and to avoid any damage being done to any drains, footpaths, sewers, nullahs, pipes, cables, wires, utility services or other works being in under over or adjacent to the Lot and/or the Building 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;
- (j) to remove any structure, installation, advertisement, signboard or other things on the Lot and/or the Building which have been erected in contravention of the terms of the Government Grant and/or this Deed and/or without the written permission of the Manager pursuant to this Deed (or if such permission has been given, upon the expiration or withdrawal of the same) and to demand and recover from the person by whom such structure or other thing as aforesaid was erected or installed the cost of such removal and the making good of any damage thereby caused;
- (k) to prevent the Owners from making or suffering to be made any external or structural alterations to any Units or any part thereof of which they are entitled to the exclusive possession or to any external feature of the Units unless such alterations are permitted by the terms hereof;
- (l) to replace any glass in any broken windows or doors or walls of the Common Areas;
- (m) to maintain and keep in good repair and condition all water pumps, tanks, pipes, ducts, sewers, drains, transformer room(s), switch room(s), intercom (if any), emergency generator and security systems (if any), cables and wiring in the Lot and/or the Building which are for the common use and benefit of the Lot and/or the Building but not for the use and benefit of a particular Unit;
- (n) to maintain and keep in good repair and condition the lifts, the lift machine room(s) and meter room(s) in the Building and to replace any part that may require replacement;
- (o) to prevent any persons from detrimentally altering or injuring the Lot and/or the Building or any part thereof or any of the equipment apparatus services or facilities thereof;
- (p) to maintain fire fighting equipment and to comply with all requirements of the Fire Services Department;

- (q) to provide watchmen, porters and such other staff as determined by the Manager at its absolute discretion and to provide and maintain the burglar alarm and security system(s) (if any) and such other security installation and, so far as may be possible, to provide and maintain good security in the Lot and Building at all times;
- (r) to install, maintain and operate or contract for the installation, maintenance, operation and/or use of aerial broadcast distribution or telecommunication network facilities (including but not limited to satellite dishes and/or cables (if any), the wireless and/or television aerials) and other transmission devices and equipment which serve the Building provided that any contract for the installation or use of or the provision of the aforesaid facilities or services to be entered into by the Manager shall be subject to the conditions that (i) the term of such contract will not exceed 3 years; (ii) the right to be granted under such 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;
- (s) 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 Lot and/or the Building for good management and the better enjoyment or use of the Lot and the Building by its Owners, occupiers and their licensees;
- (t) to appoint a solicitor or other appropriate legal counsel to advise upon any point which arises in connection with the management of the Lot and/or the Building necessitating professional legal advice and with authority to accept service on behalf of all the Owners for the time being of the Lot and the Building of all legal proceedings relating to the Lot and/or the Building its services apparatus and equipment (but not proceedings relating to the rights or obligations of individual Owners) 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 days of being requested so to do by the competent Government officer, to appoint a solicitor who shall undertake to accept service on behalf of all such Owners whether for the purposes of Order 10 Rule 1 of the Rules of High Court (or any provision amending or in substitution for the same) or otherwise;
- (u) to represent all the Owners in all matters and dealings with the Government or any statutory body or any utility company or any competent authority or any other person whomsoever in any way touching or concerning the Lot and the Building as a whole, or its equipment apparatus services or facilities;

- (v) subject to Clause (6:12) of this Deed, to enter into contracts and to engage, employ, remunerate and dismiss solicitors, architects and other professional advisers and consultants, contractors, workmen, servants, agents (including professional property management company), watchmen, caretakers, technical and administrative staff and other building staff and attendants and to commence, conduct, carry on and defend in its own name legal and other proceedings touching or concerning the Lot and the Building or the management thereof on behalf of all the Owners for the time being;
- (w) to take all steps necessary or expedient for complying with the Government Grant and any statutory or Governmental requirements concerning or relating to the Lot and/or the Building for which no Owner, tenant or occupier of the Lot and/or the Building is solely responsible;
- (x) to demand collect and give receipts for all amounts payable by the Owners under the provisions of this Deed (excluding Government Rent and rates);
- (y) to enforce the due observance and performance by the Owners of the terms and conditions of this Deed and those of the Government Grant and to take action in respect of any breach thereof including the commencement conduct and defence of any legal proceedings and the registration and enforcement of charges as hereinafter mentioned;
- (z) unless otherwise directed by the Corporation, to effect and update insurance in respect of the Common Areas and the Common Facilities to their full new reinstatement value against loss or damage by fire and water and such other risks or perils, to effect and update public, occupier's and employer's liability insurance, and also (unless otherwise directed by the Corporation) to procure (but not obliged to do so) block insurance for the Building as a whole or parts thereof including those areas which are not the Common Areas and the Common Facilities against loss or damage in such risk and in such amount as shall be determined by the Manager, such insurance to be in the name of the Manager for and on behalf of itself as manager and the Owners according to their respective interests in the Lot and the Building and to pay all premia required to keep such insurance policies in force;
- (aa) to keep proper accounts of all expenditure incurred by and of all payments made to the Manager in respect of carrying out its duties hereunder as herein provided;
- (ab) to deal with all enquiries, complaints, reports and correspondence relating to the Building;

- (ac) to recruit and employ such staff as may from time to time be necessary to enable the Manager to comply with its duties hereunder on such terms as the Manager shall in its discretion decide and to provide guard rooms, uniforms, working clothes, tools, appliances, cleaning and other materials and all equipment necessary therefor and, subject to the Government Grant and the approval by a resolution of Owners at an Owners' meeting convened under this Deed having been obtained, to provide office for watchmen/caretakers as the circumstances may require;
- (ad) to keep the Recreational Areas and the Recreational Facilities and all ancillary equipment and structures in good repair and condition and properly cleaned and to employ staff to supervise their use, to insure against liability of persons using the same and to make, vary and enforce regulations regarding the persons using the same, the hours of use, maintenance, management and all other matters relating thereto;
- (ae) to pay and discharge out of all monies collected from the Owners under Clause (3:05:01) of this Deed all outgoings relating to the management of the Lot and the Building;
- (af) to allocate or apportion the salary or remuneration payable to managerial or management staff who are deployed to the Building;
- (ag) to do all such other things as are reasonably incidental to the management of the Lot and the Building in accordance with the terms and conditions of this Deed and the Government Grant or for the common benefit of the Owners;
- (ah) to charge a prescribed fee for entry into and/or use of the Recreational Areas and the Recreational Facilities or any part thereof of such amount as the Manager shall in its reasonable discretion deem fit 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 the Residential Common Facilities;
- (ai) to remove any dogs, cats or other animals or fowls from the Lot and the Building, if in the opinion of the Manager, such animals or fowls are causing a nuisance to the other Owners or occupiers of the Lot and the Building or if such animals or fowls are the subjects of written complaints from at least two other Owners or occupiers of the Lot and the Building;
- (aj) to provide such Christmas, Chinese New Year, festive and other decorations and to organise such celebrations or activities for the Building as the Manager shall in its sole discretion consider desirable;

- (ak) to landscape, plant with trees and shrubs, flowers, bushes, grass and other vegetation on any part or parts of the Common Areas and for such purpose to engage a landscape architect or consultant;
- (al) subject to the prior approval of the Owners' Committee or where the Corporation has been formed, the obtaining of approval of the Corporation, to grant franchises, leases, tenancy agreements and licences to other persons to use such of the Common Areas and the Common Facilities, and subject to the additional prior written approval by a resolution of the Owners at an Owners' meeting convened under this Deed to grant licences to other persons to install or affix chimneys, flues, pipes or any other structures or facilities on or within the Common Areas Subject Always to the provisions of the Government Grant and this Deed PROVIDED THAT all income arising therefrom and any payment received for the approval must be credited to the relevant account of the Special Fund and PROVIDED FURTHER THAT the grant of such franchises, leases, tenancy agreements, licences and installations shall not interfere with an Owner's exclusive right to hold, use, occupy and enjoy the part of the Building to which he is entitled or unreasonably impede or restrict the access to and from any such part of the Building;
- (am) to impound and/or remove any vehicle or motor cycle parked anywhere on or in the Common Areas not so designated for parking or the loading and unloading space without the consent of the Manager or which shall cause an obstruction or which is contrary to the provisions of this Deed or the Building Rules or the owner of which vehicle or motor cycle has defaulted in payment of parking fees and any damage caused to such vehicles or motor cycles during or as a consequence of such impoundment or removal shall be the sole responsibility of the owner thereof;
- (an) to grant licence to use such parts of the Common Areas designated for parking of vehicles or motor cycles on such terms and conditions and for such consideration as the Manager shall in its reasonable discretion consider appropriate and all monies received shall be held as part of the Management Fund of the Building and be credited and applied accordingly;
- (ao) to make rules (as parts of the Building Rules) to protect the environment of the Building and to implement waste reduction and recycling measures with reference to guidelines on property management issued from time to time by the Director of Environmental Protection;
- (ap) 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 and Retaining Structures in compliance with the Government Grant and in particular in accordance with the Geoguide 5 - Guide to Slope Maintenance issued by the Geotechnical Engineering

Office (as amended or substituted from time to time) and the Maintenance Manual and all guidelines issued from time to time by the appropriate Government department regarding the maintenance of the Slope and Retaining Structures. For this purpose, the Manager shall have the right to demand from the Owners, and the Owners shall be liable to pay, such contributions to all the costs lawfully incurred or to be incurred in carrying out such maintenance and repair and any other works in respect of the Slope and Retaining Structures by way of a lump sum or instalments or otherwise as the Manager shall decide but without prejudice to the Manager's right to apply the general or any parts of the Management Fund referred to in Clause (3:06) as the Manager may deem fit towards payment of the costs or any part thereof Provided that the Manager shall not be made personally liable for carrying out any such requirements of the Government Grant which shall remain the responsibility of the Owners if, having used all reasonable endeavours, the Manager has not been able to collect the costs of the required works from all Owners. For the purpose of this Clause, the Manager shall include any Owners' Committee and the Corporation;

- (aq) in the event of the covenants contained in Clauses (39) and (45) in the Fourth Schedule hereto being in breach, the Manager without prejudice to the right of the other Owners, shall have the right to demand the defaulting Owner to rectify the breach forthwith and if necessary to reinstate the flat roof to their original state under the Approved Plans and if the defaulting Owner 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 covenant including but not limited to the right to enter upon the Residential Unit concerned upon reasonable notice (except in an emergency) (including the flat roof provided therein) and remove any fences, awning, grilles or any structures or things which are installed, exhibited, affixed, erected or attached to the flat roof or the Residential Unit which are in breach of the aforesaid covenant. The defaulting Owner shall pay to the Manager all costs incurred by the Manager for and in relation to the steps taken by the Manager for the aforesaid purpose and all costs recovered by the Manager shall be credited to the Management Fund or the relevant account of the Special Fund from which the costs incurred by the Manager was drawn;
- (ar) to organize any activities for the Owners/occupiers of the Building to participate as the Manager thinks fit from time to time to promote the neighbourhood relationship of the Owners and occupiers;
- (as) to discontinue the provision of management services to Owners who fail to pay fees or to comply with any other provisions under this Deed;
- (at) to provide a suitable CCTV imaging device and trained personnel to operate the said device, or secure a contract with a service provider for

conducting inspection of the concealed drainage pipes mounted on the External Walls by a suitable CCTV imaging device;

- (au) to conduct regular inspection of the pipework on a specified interval as proposed by the Authorised Person to alert any early signs of water leakage and pipe joints/pipe brackets conditions.

(3:02:02)

(a) Subject to sub-clauses (b) and (c) below and the provisions in Schedule 7 to the Building Management Ordinance (Cap.344), 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 (Cap.344).

- (b) Subject to sub-clause (c) below and the provisions in Schedule 7 to the Building Management Ordinance (Cap.344), 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 a Corporation:

- (1) the supplies, goods or services are procured by invitation to tender;
- (2) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance (Cap.344); and
- (3) 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 Corporation, and the contract is entered into with the successful tenderer; or

(ii) if there is no Corporation:

- (1) the supplies, goods or services are procured by invitation to tender;

- (2) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance (Cap.344); and
 - (3) 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 a Corporation, if:
 - (1) 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 Corporation by a supplier; and
 - (2) the Corporation decides by a resolution of the Owners passed at a general meeting of the 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 Corporation, if:
 - (1) 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
 - (2) 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 other sub-clauses of this Clause and the provisions of the Building Management Ordinance (Cap.344), the procurement of supplies, goods, or services by the Manager or the Owners' Committee that involves amounts in excess of the sums mentioned in this Clause (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 (Cap.344) will apply to the Manager or the Owners' Committee with any appropriate variations.

(3:02:03) Notwithstanding anything herein contained, the Manager shall not (except with the prior approval by a resolution of Owners at an Owners' meeting convened under this Deed) be entitled to effect any improvements to the facilities or services in or on the Lot and/or the Building which involves expenditure in excess of 10% of the current annual budget referred to in Clause (3:07:01) of this Deed.

(3:02:04) The Manager shall have power from time to time before the formation of the Owners' Committee to make the Building Rules. Amendments to the Building Rules may be made by the Manager with the approval of the Owners' Committee (if any), but the Building Rules must not be inconsistent with or contravene this Deed, the Building Management Ordinance (Cap.344) or the terms of the Government Grant and such Building Rules shall be binding on all of the Owners of the Building and their tenants, licensees, servants or agents. A copy of the Building Rules from time to time in force shall be supplied to each Owner on request on payment of reasonable copying charges and such charges shall be credited to the Management Fund.

(3:02:05) 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.

(3:02:06) Neither the Manager nor any employees contractors servants agents or other person employed by the Manager shall be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owners or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance of or purported pursuance of the provisions of this Deed not being an act or omission involving criminal liability, dishonesty or negligence on the part of the Manager or its employees contractors servants agents or such other person employed by the Manager. For avoidance of doubt, the Manager shall not be liable to the Owners or any of them or to any other person or persons whomsoever whether claiming through, under or in trust for any Owners or otherwise, for or in respect of :-

- (a) any defect in or failure or malfunction of any of the Common Areas and/or the Common Facilities;
- (b) any failure, malfunction or suspension of the supply of water, gas, electricity or other utility services to, from or for the Lot and the Building;
- (c) fire, flood or the overflow or leakage of water;
- (d) the activity of termites, cockroaches, rats, mice or other pests or vermin; or

(e) theft or burglary

unless such liabilities were caused by an act or omission of the Manager, its employees, agents or contractors involving criminal liability, dishonesty or negligence. The obligation to pay the Management Fee by the Owner in respect of his Unit shall not cease on ground of the happening of any of the aforesaid events.

(3:02:07) The Manager shall have the right with or without workmen :-

- (a) upon reasonable notice (except in case of emergency) to enter upon any part of the Lot or the Building or any of the Units as may be necessary for the purpose of effecting necessary inspection, maintenance, replacement, cleaning, painting, decoration and repairs to the Building or any part or parts thereof or the Common Areas and Common Facilities and/or abating any hazard or nuisance which does or may affect the Common Areas or the Common Facilities or other Owners and also for the purpose of inspecting replacing repairing cleaning and maintaining any of the water mains and pipes or other apparatus and equipment serving any part of the Lot and/or Building whether or not the same belong exclusively to any one Unit and, if the water mains and pipes or the apparatus and equipment or the item of repair shall belong exclusively to one Unit, to charge the Owner the cost of repairing and/or replacement Provided that the Manager shall cause as little disturbance as possible when carrying out such works and repair at its own costs and expenses any damage caused thereby and the Manager shall be liable for the negligent, wilful or criminal acts of the Manager or its employees contractors servants and agents; and
- (b) to provide within the Common Areas and Common Facilities such fixtures, fittings and furniture and other equipment as it may consider appropriate and to repair, replace and maintain the same and the costs, charges and expenses thereof shall form part of the cost of the management as a whole.

(3:02:08) The Manager, its employees, contractors, servants, agents or other persons employed by the Manager shall not be liable for any interruption in any of the services hereinbefore mentioned by reason of necessary maintenance of any installations, apparatus, equipment, or damage thereto or destruction thereof by fire, water or Act of God or by reason of mechanical or other defect or breakdown or inclement weather conditions or unavoidable shortage of fuel, materials, water, labour or other cause beyond the Manager's control nor for the security or safekeeping of the Lot and the Building or any persons or contents therein Provided that the Manager shall be liable for the negligent, wilful or criminal acts of the Manager or its employees, contractors, servants, agents and other persons employed by the Manager.

(3:02:09) The Manager shall ensure that its servants, agents, contractors or other persons employed or appointed by the Manager remain responsible and answerable to the Manager.

(3:03) The Manager's Remuneration

(3:03:01) The Manager's Remuneration (expressed as a monthly amount) shall be the sum equivalent to 15% of the Management Expenses. No variation of the aforesaid percentage may be made except with approval by a resolution of Owners at an Owners' meeting convened under this Deed. The Manager's Remuneration shall be paid by the Owners monthly in advance on the first day of every calendar month by reference to the total budgeted Management Expenses with adjustment to be made at the end of each financial year when the total Management Expenses are ascertained. For the purpose of calculating the Manager's Remuneration, the Management Expenses shall exclude (i) the Manager's Remuneration itself and (ii) any Capital Expenditure or expenditure drawn out of the Special Fund Provided that by a resolution of Owners at an Owners' meeting convened under this Deed, any Capital Expenditure or expenditure drawn out of the Special Fund may be included for calculating the Manager's Remuneration at the aforesaid rate or at such lower rate as the Owners may consider appropriate.

(3:03:02) The Manager's Remuneration shall not be subject to any requirement that the Manager shall disburse from such money to meet expenses in respect of any staff (whether managerial or otherwise), facilities, accountancy services or other professional services, the cost for which shall be a direct charge upon the Management Fund.

(3:04) Management Expenses

(3:04:01) For the purpose of fixing the contributions payable by the Owners, the Manager shall prepare the budgets referred to in Clause (3:07:01) of this Deed.

(3:04:02) The said budgets shall cover all costs expenses and outgoings incurred in relation to the management of the Lot and the Building including without limiting the generality of the foregoing the following items :-

- (a) Government Rent (before separate assessment of individual Units has been made by the Government) and all sums payable under the Government Grant (if any);
- (b) the cost of carrying out all or any of the duties of the Manager set out in Clause (3:02) of this Deed;
- (c) the cost of purchasing or hiring all necessary plant, equipment, apparatus, tools and machinery for carrying out the duty of Manager under this Deed;
- (d) remuneration and expenses for all management staff, caretakers, security guards, watchmen, cleaners, attendants, gardeners and such other personnel as may be required for the proper management of the Lot and the Building;

- (e) all reasonable professional fees and costs incurred by the Manager including but not limited to:-
 - (i) fees and costs of surveyors, rating surveyors, valuers, architects, engineers and others employed in connection with the management, maintenance and improvement of the Lot and the Building;
 - (ii) solicitors and other legal fees and costs; and
 - (iii) fees and costs of any accountants, auditors and/or any other consultants employed in connection with the accounts or the Manager's statements as hereinafter referred to;
- (f) all water, gas, electricity, telephone and other service charges for or in connection with the Lot and the Building and not being in respect of the use of or consumption in any particular Unit or other area (if any) enjoyed exclusively by one Owner;
- (g) the cost of all fuel and oil incurred in connection with the operation of the plant, equipment and machinery provided by the Manager for the benefit of the Lot and the Building and the Owners thereof commonly;
- (h) the cost of providing emergency generators (if any) and the cost of providing emergency lighting of the Lot and the Building;
- (i) the cost of effecting insurance in respect of public liability, occupier's liability, employer's liability, employees' compensation and fire and other perils in respect of the Common Areas and the Common Facilities and structures, equipment and utensils intended for common use;
- (j) all charges, assessments, impositions and other outgoings payable by the Owners in respect of all parts of the Common Areas;
- (k) the cost of postage, stationery, printing and other sundry items incurred by the Manager in connection with the management of the Lot and the Building;
- (l) the cost of maintaining in good order and repair all Common Areas, Common Facilities and any other facilities related to the provision of services within the Lot and the Building;
- (m) any other expenditures which are necessary for the good building management of the Common Areas and Common Facilities;
- (n) secretarial and accounting charges in connection with the management of the Lot and the Building, in so far as these charges are not covered by

other items of expenditures referred to in other sub-clauses of this Clause (3:04:02);

- (o) salaries, overtime pay, severance payment, long services payment, fringe benefits (if any) and bonuses (if any) of such staff employed by the Manager for the management of the Building;
- (p) the cost of operating, managing and keeping in good clean repair and condition the Recreational Areas and the Recreational Facilities including the general expenditure for cost of staff and (if applicable) water charges, lighting and air-conditioning;
- (q) the cost for cultivation, irrigation and maintenance of the lawns, planters and landscaped areas on the Common Areas;
- (r) the cost of engaging suitable qualified personnel to inspect keep and maintain in good substantial repair and condition the Slope and Retaining Structures in compliance with the Government Grant and in accordance with the Maintenance Manual and all guidelines issued from time to time by the appropriate Government department regarding the maintenance of the Slope and Retaining Structures; and
- (s) the cost for organizing activities for owners/occupiers of the Building to participate in accordance with the provisions of this Deed.

(3:05) Payment of Management Expenses and Special Fund and Enforcement Provisions

- (3:05:01) (a) The Owners of each of the Units shall pay to the Manager monthly in advance the Management Fee in proportion to the Management Shares as set out in the Second Schedule hereto PROVIDED THAT no Owner shall be called upon to pay more than his appropriate shares of the Management Expenses as stated in the following parts:
 - (i) where any expenditure relates to or is for the benefit of the Lot and the Building (but does not relate solely to or is not solely for the benefit of any Unit, Residential Common Areas, Car Park Common Areas, Residential Common Facilities or Car Park Common Facilities), the Building Common Areas and/or the Building Common Facilities the full amount of such expenditure shall be apportioned between all the Owners of the Building in proportion to the number of Management Shares held by them;
 - (ii) where any expenditure relates solely to or is solely for the benefit of the Residential Units (but does not relate solely to or is not solely for the benefit of any particular Residential Unit), the Residential Common Areas and/or the Residential Common Facilities the full amount of such expenditure shall be apportioned

between the Owners of the Residential Units in proportion to the number of Management Shares held by them;

- (iii) where any expenditure relates solely to or is solely for the benefit of the Car Parks (but does not relate solely to or is not solely for the benefit of any particular Car Park), the Car Park Common Areas and/or the Car Park Common Facilities the full amount of such expenditure shall be borne by the Owners of the Car Parks of the Building in proportion to the number of Management Shares held by them;
 - (iv) where any expenditure relates solely to or is solely for the benefit of a Unit, the full amount of such expenditure shall be borne by the Owner of such Unit.
- (b) If the total contribution receivable as aforesaid by the Manager shall be insufficient to meet the Management Expenses and the Manager's Remuneration for any reason whatsoever, any shortfall, whether incurred or to be incurred over and above the said budgeted sum, shall be carried forward to and recouped by adjusting the annual budget and the Management Fee for the next financial year provided always that the Manager may, at its discretion from time to time (but subject to consultation with the Owners or the Owners' Committee or Corporation (if formed)), demand from the Owner of each Unit on giving not less than one month's prior notice in writing the additional monthly contribution payable by each Owner save that in exceptional circumstances such additional contribution may be recovered by special contribution in one lump sum as the Manager shall in its absolute discretion deem fit (but subject to consultation with the Owners or the Owners' Committee or Corporation (if formed)) to meet the shortfall in the Management Expenses and the Manager's Remuneration provided further that the provisions under Schedule 7 to the Building Management Ordinance (Cap.344) shall be complied with.
- (c) If there should be any surplus in the total amount of additional contributions from the Owners as aforesaid after payment of all the cost charge and expenses then such surplus shall be held by the Manager and be deposited in a bank account and shall only be applied by the Manager in or towards payment of future Management Expenses as the Manager shall decide.

Provided That where in the Manager's opinion any expenditure has been incurred solely for the benefit of an Owner or group of Owners the Manager may charge that expenditure directly to that Owner or those Owners in such proportion as it may determine.

(3:05:02) The Manager shall from time to time notify each Owner in writing in the manner hereinafter mentioned of the amount of the monthly Management Fee estimated as

aforesaid and such amount shall be payable by each Owner monthly in advance from the date specified in the relevant notice, the initial monthly Management Fee being payable from and exclusive of the date of the assignment in their favour as the Owners.

(3:05:03) The Management Fee shall be subject to adjustment from time to time according to the costs of providing the above services estimated herein Provided no adjustment shall affect the proportion of contribution in respect of each Unit as mentioned in Clause (3:05:01)(a). Notice of such adjustment shall be given by the Manager in writing at least one month prior to such adjustment.

- (3:05:04) (a) Except where the First Owner has made payments in accordance with Clause (3:05:04)(e) of this Deed, each Owner (being the assignee from the First Owner) shall immediately upon his becoming an Owner pay to the Manager a sum equivalent to three months' Management Fee for each Unit owned by him payable in accordance with the budget for the first year which shall be a non-refundable but transferable deposit by way of security against the liabilities for the observance and performance by the Owner of the covenants terms and conditions contained in this Deed. In the event of any increase in the Owner's monthly Management Fee, the Owner shall forthwith pay to the Manager on demand a further sum to the intent that the deposit shall be made up to a sum equivalent to three months' Management Fee. The deposit shall not be used by an Owner to set off against any contribution payable by him under this Deed. Notwithstanding the foregoing (and without prejudice to the rights of the Manager generally under this Deed) the Manager shall have the right to set off the deposit against any sums payable by an Owner under this Deed; the Manager shall be under no obligation to exercise such right of set off and, in any proceedings by the Manager against an Owner in respect of a payment default, such Owner shall have no right to require the Manager to mitigate its loss by exercising its right of set-off prior to its exercising its other rights under this Deed in respect of such default. If the Manager has exercised its right of set-off under this Clause, it shall have the right to require the relevant Owner or his successor in title to replenish the deposit to an amount equivalent to three months' Management Fee for the Unit which he owns.
- (b) Except where the First Owner has made payments in accordance with Clause (3:05:04)(e) of this Deed, each Owner (being the assignee from the First Owner) shall immediately upon his becoming an Owner pay to the Manager a sum equivalent to two months' Management Fee for each Unit owned by him payable in accordance with the budget for the first year which shall be the Management Fee payable in advance for the first two months.
- (c) Except where the First Owner has made payments in accordance with Clause (3:05:04)(e) of this Deed, each Owner (being the assignee from the First Owner) of Residential Unit shall immediately upon his becoming an Owner pay to the Manager such non-refundable and non-

transferable sum equivalent to one month's Management Fee for each Residential Unit owned by him payable in accordance with the budget for the first year which shall be the debris removal charge. Any surplus debris removal charge not used for collection or removal of debris shall be credited to the residential account of the Special Fund referred to in Clause (3:05:04)(d)(i)(2) of this Deed.

- (d) (i) There shall be established and maintained by the Manager the Special Fund with three separate accounts as follows:
 - (1) a building account for the purposes of meeting Capital Expenditure in respect of the Building Common Areas and the Building Common Facilities, the contribution of which shall be made by all the Owners as provided in Clause (3:05:04)(d)(ii) of this Deed;
 - (2) a residential account for the purposes of meeting Capital Expenditure in respect of the Residential Common Areas and the Residential Common Facilities, the contribution of which shall be made by all the Owners of the Residential Units as provided in Clause (3:05:04)(d)(ii) of this Deed;
 - (3) a car park account for the purposes of meeting Capital Expenditure in respect of the Car Park Common Areas and the Car Park Common Facilities, the contribution of which shall be made by all the Owners of the Car Parks as provided in Clause (3:05:04)(d)(ii) of this Deed.
- (ii) Except where the First Owner has made payments in accordance with Clause (3:05:04)(e) of this Deed, each Owner (being the assignee from the First Owner) shall immediately upon his becoming an Owner pay to the Manager a sum equivalent to two months' Management Fee for each Unit owned by him payable in accordance with the budget for the first year as the Owner's contribution to the relevant account of the Special Fund referred to in Clause (3:05:04)(d)(i) of this Deed which contribution shall be non-refundable and non-transferable and shall only be used or expended by the Manager for the purposes for which they have been collected for costs, charges and expenses for Capital Expenditure. The Special Fund shall be established and maintained by the Manager to provide for Capital Expenditure, which includes, but is not limited to, expenses for the renovation, improvement and repair of the Common Areas and the Common Facilities, the purchase, setting up, replacement, improvement and addition of installations, systems, equipment, tools, plant and machineries for the Common Areas and the Common Facilities and the costs

of the relevant investigation works and professional services. The Special Fund shall be trust funds held and managed by the Manager as trustee for all the relevant Owners and all sums therein shall be the property of the relevant Owners. All monies received for the Special Fund shall be deposited by the Manager with a bank within the meaning of Section 2 of the Banking Ordinance (Cap.155) in interest-bearing accounts designated for the purposes of the different accounts of Special Fund the titles of which shall refer to the relevant accounts of the Special Fund and the Manager shall use those accounts exclusively for the respective purposes referred to in Clause (3:05:04)(d)(i) of this Deed. Special reference shall be made to such accounts of the Special Fund in the annual accounts and an estimate shall be given as to the time of any likely need to draw on such accounts of the Special Fund. The Manager must not use the Special Fund for the payment of any outstanding Management Expenses arising from or in connection with the day-to-day management of the Building. The amount of contribution by each Owner to the Special Fund may be varied by a resolution passed by the Owners at a meeting of the Owners convened under this Deed. If there is a Corporation, the 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.

- (iii) Without prejudice to the generality of Clause (3:05:04)(d)(ii), if there is a Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by him from or on behalf of the Corporation in respect of the Special Fund.
- (iv) The Manager shall display a document showing evidence of any account opened and maintained under Clause (3:05:04)(d)(ii) or (iii) in a prominent place in the Building.
- (v) The Manager shall without delay pay all money received by him in respect of the Special Fund into the accounts opened and maintained under Clause (3:05:04)(d)(ii) or, if there is a Corporation, the account or accounts opened and maintained under Clause (3:05:04) (d)(iii).
- (vi) 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).

- (e) Notwithstanding anything herein contained, if the First Owner remains the Owner of those Undivided Shares allocated to any Unit the construction of which has been completed and which remain unsold three months after the execution of this Deed or the date on which he is in a position to validly assign those Undivided Shares (i.e. when consent to assign or certificate of compliance has been issued), whichever is the later, the First Owner shall pay to the Manager such sums as provided in Clauses (3:05:04)(a), (c) and (d) of this Deed. The First Owner shall pay the Management Fee from the date of this Deed and make payments and contributions for those expenses which are of a recurrent nature for those Units and Undivided Shares unsold. All outgoings including Management Fee and any Government rent up to and inclusive of the date of assignment of such Unit by the First Owner shall be paid by the First Owner. An Owner shall not be required to make any payment or reimburse the First Owner for the aforesaid outgoings.
- (f) Each Owner (being the assignee from the First Owner) shall immediately upon his becoming an Owner reimburse and pay to the Manager a due proportion (according to the Management Shares allocated to his Unit) of the public utilities deposits for the Common Areas and the Common Facilities which have been paid to the relevant utilities companies and such payment made by the Owner shall be non-refundable but transferable.

For the purpose of this Clause (3:05:04), a Unit shall be considered as remaining unsold where no assignment has been entered into between the First Owner and a purchaser in respect of such Unit.

(3:05:05) Each Owner covenants with the other Owners that he shall pay to the Manager on demand further periodic contributions to the relevant accounts of the Special Fund and 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 Owners at an Owners' meeting convened under this Deed.

(3:05:06) If any Owner shall fail to pay any amount due and payable hereunder within 30 days of the date on which the demand is made, he shall further pay to the Manager :-

- (a) interest thereon calculated at the rate as determined by the Manager but not exceeding 2% per annum over the prime rate specified by The Hongkong and Shanghai Banking Corporation Limited from time to time on the outstanding amount due from the Owner for the period during which it remains unpaid;
- (b) a collection charge as determined by the Manager but not exceeding 10% of the amount due (other than legal costs of proceedings as hereinafter mentioned); and

- (c) all legal costs (on a solicitor and own client basis) incurred in or in connection with recovering the amount due.

(3:05:07) All amounts which become payable by any Owner in accordance with the provisions of this Deed together with interest thereon as aforesaid and the said collection charge and all legal costs and all other expenses incurred in or in connection with recovering or attempting to recover the same shall be recoverable by civil action at the suit of the Manager (and the claim in any such action may include a claim for the solicitor and own client costs of the Manager in such action and the defaulting Owner shall in addition to the amount claimed in such action be liable for such costs). In any such action the Manager shall conclusively be deemed to be acting as the agent or agents for and on behalf of all the Owners of the Lot and the Building (other than the defaulting Owner) as a whole and no Owner being sued under the provisions of this Deed shall raise or be entitled to raise any defence of want of authority or take objection to the right of the Manager as plaintiff to sue or to recover such amounts as may be found to be due.

(3:05:08) In the event of any Owner failing to pay any sum due and payable by him in accordance with the provision of this Deed or failing to pay any damages awarded by any court for breach of any of the terms or conditions of this Deed within 30 days of the date of demand, the amount thereof together with interest as aforesaid and the said collection charge and all such legal costs and expenses which may be incurred in recovering or attempting to recover the same including the costs referred to in Clause (3:05:07) of this Deed shall stand charged on the Undivided Share(s) and the Unit(s) 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(s) and the Unit(s) 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 and the aforesaid sums have been satisfied.

(3:05:09) Any charge registered in accordance with Clause (3:05:08) of this Deed shall be enforceable as an equitable charge by action at the suit of the Manager for an order for sale of the Undivided Share(s) of the defaulting Owner together with the right to the exclusive use, occupation and enjoyment of the Unit(s) held therewith and the provisions of Clause (3:05:07) of this Deed shall apply equally to any such action.

(3:05:10) The Manager shall further have power to commence proceedings for the purpose of enforcing the observance and performance by any Owner, and any person occupying any Unit, of the covenants conditions and provisions of this Deed and of recovering damages for the breach non-observance or non-performance thereof. The provisions of Clauses (3:05:07), (3:05:08) and (3:05:09) of this Deed shall apply to all such proceedings and to the recovery of any costs, damages or other moneys awarded therein.

(3:05:11) All damages recovered in any such proceedings and all amounts recovered shall be held by the Manager who shall apply the same towards rectifying the default (if any) to which they relate and any surplus thereof together with all interest on amount unpaid and collection charge shall be credited to the relevant account of the Special Fund.

(3:05:12) Notwithstanding the powers conferred on the Manager by this Deed, any one or more Owners shall be entitled to take action to enforce the provisions of this Deed and, if at any time no Manager is appointed or acting hereunder or any Manager so appointed or acting refuses or fails to enforce any of the provisions of this Deed, any one or more Owners appointed by resolution passed in a meeting of Owners shall be entitled to sue any defaulting Owner on behalf of himself or themselves and all other Owners and the provisions of Clause (3:05:07), (3:05:08) and (3:05:09) of this Deed shall apply mutatis mutandis to any action or proceedings brought by such Owner or Owners and to the recovery of any costs, damages or other moneys awarded therein.

(3:06) Management Fund and Special Fund

- (3:06:01)
- (a) The Management Fund collected by the Manager in the exercise of its powers and duties hereunder shall be held and deemed to be held by the Manager as trustee for and on behalf of all the Owners or the relevant Owners (as the case may be).
 - (b) The Manager shall open and maintain an interest-bearing account and shall use that account exclusively in respect of the management of the Building.
 - (c) Without prejudice to the generality of sub-clause (b), if there is a Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by him from or on behalf of the Corporation in respect of the management of the Building.
 - (d) The Manager shall display a document showing evidence of any account opened and maintained under sub-clause (b) or (c) in a prominent place in the Building.
 - (e) Subject to sub-clauses (f) and (g), the Manager shall without delay pay all money received by him in respect of the management of the Building into the account opened and maintained under sub-clause (b) or, if there is a Corporation, the account or accounts opened and maintained under sub-clause (c).
 - (f) Subject to sub-clause (g), the Manager may, out of money received by him in respect of the management of the Building, 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).
 - (g) The retention of a reasonable amount of money under sub-clause (f) or the payment of that amount into a current account in accordance with that sub-clause 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).

- (h) Any reference in this Clause (3:06:01) 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 Building.

(3:06:02) Where any consent is required from the Manager by any Owner pursuant to the terms of this Deed, such consent shall not be unreasonably withheld and the Manager shall not charge any fee other than a reasonable administrative fee for processing and issuing such consent and such fee for the granting of such consent shall be credited to the relevant account of the Special Fund.

(3:06:03) Any person ceasing to be the Owner of any Undivided Share(s) shall in respect of the Undivided Share(s) of which he ceases to be the Owner thereupon cease to have any interest in the funds held by the Manager (including but not limited to any deposit and his contribution to the Special Fund payable under Clause (3:05:04) of this Deed) to the intent that all such funds shall be held and applied for the management of the Lot and the Building irrespective of changes in ownership of the Undivided Share(s) therein PROVIDED that any deposit paid by any such Owners or the balance thereof which is transferable and still held by the Manager may be transferred into the name of the new Owner of such Undivided Share(s) upon the express written request of the outgoing Owner And PROVIDED THAT upon the Lot reverting to the Government and no renewal or regrant thereof being obtainable or upon the rights and obligations hereunder being extinguished any balance of the deposit, Special Fund and Management Fund, or in the case of extinguishment of rights and obligations as aforesaid, an appropriate part of each of the Special Fund and the Management Fund, shall be divided proportionately between the relevant Owners of the Undivided Shares in accordance with the proportion of the Management Shares held by the relevant Owners 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 the same proportion.

(3:07) Preparation of Budget, Management Records and Accounts

- (3:07:01) (a) For the purpose of fixing the Management Fee and other monies payable by the Owners, the Manager shall prepare an annual budget showing the estimated Management Expenses and Manager's Remuneration for the ensuing financial year (as defined in Clause (3:07:02) of this Deed); such budgets except the first one shall be prepared in consultation with the Owners or the Owners' Committee or the Corporation (if formed).
- (b) Subject to sub-clauses (d), (f), (g) and (i), the total amount of Management Expenses payable by the Owners during any period of 12 months adopted by the Manager of the Building as the financial year in respect of the management of the Building shall be the total proposed expenditure during that year as specified by the Manager in accordance with sub-clause (c).
- (c) 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 Building, 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 of 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 Building, and cause it to remain so displayed for at least 7 consecutive days.
- (d) Where, in respect of a financial year, the Manager has not complied with sub-clause (c) before the start of that financial year, the total amount of the Management Expenses for that year shall :-
- (i) until he has so complied, be deemed to be the same as the total amount of Management Expenses (if any) for the previous financial year;
 - (ii) when he has so complied, be the 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.
- (e) Where a budget has been sent or displayed in accordance with sub-clause (c)(v) and the Manager wishes to revise it, he shall follow the same procedures in respect of the revised budget as apply to the draft budget and budget by virtue of sub-clause (c).
- (f) Where a revised budget is sent or displayed in accordance with sub-clause (e), 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.
- (g) If there is a 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 (c) or (e), the 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 (c) or (e) 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.

- (h) 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 and such charge shall be credited to the Management Fund.
- (i) For the purposes of this Clause (3:07:01), “expenditure” (開支) includes all costs, charges and expenses to be borne by the Owners, including the Manager’s Remuneration.

(3:07:02) The first financial year for the purpose of management of the Lot and the Building shall commence from the date of this Deed and shall terminate on the 31st day of December in the same year PROVIDED that if the duration of the first financial year shall be less than SIX calendar months then the first financial year shall extend to and end on the 31st day of December of the next succeeding year and thereafter the financial year shall commence on the 1st day of January of that year and shall terminate on the 31st day of December in the same year PROVIDED ALWAYS that the Manager may only change the financial year once in every five years and shall not change the financial year more than once in every five years unless that change is previously approved by a resolution of the Owners’ Committee (if any).

(3:07:03) The Manager shall maintain proper books or records of account and other financial records and shall keep all bills, invoices, vouchers, receipts and other documents referred to in those books and records for at least 6 years. The Manager shall prepare separate and independent budgets for the whole of the Lot and the Building and the different parts thereof as referred to in Clause (3:05:01)(a) of this Deed and shall keep separate management accounts and budgets for the whole of the Lot and the Building and the different parts thereof as referred to in Clause (3:05:01)(a) of this Deed.

(3:07:04) Within one month after each consecutive period of three 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 Building, and cause it to remain so displayed for at least seven consecutive days.

(3:07:05) Within two months after the end of each financial year, the Manager shall prepare an income and expenditure account and balance sheet for that financial year which account and balance sheet will be certified by auditors as providing an accurate summary of

all items of income and expenditure during that financial year. The Manager shall display a copy of the income and expenditure account and balance sheet in a prominent place in the Building, and cause it to remain so displayed for at least seven consecutive days.

(3:07:06) Each income and expenditure account and balance sheet shall include details of the Special Fund required by Clause (3:05:04)(d)(i) and an estimate of the time when there will be a need to draw on that fund, and the amount of money that will be then needed.

(3:07:07) The Manager shall : -

- (a) 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
- (b) on payment of a reasonable copying charge, supply any Owner with a copy of any record or document requested by him and such charge shall be credited to the Management Fund.

(3:07:08) (a) The Manager shall appoint an auditor to audit the accounts and records of the Manager concerning the management of the Lot and the Building and to certify the annual accounts as hereinbefore provided. The Manager may revoke the appointment of such firm and appoint another firm in its place at any time with the prior approval of the Owners' Committee or the Corporation (if formed).

- (b) Notwithstanding anything herein provided and prior to the formation of the Corporation, the Owners at a meeting of Owners convened under this Deed shall have power to require the annual accounts to be audited by an independent auditor of their choice.

(3:07:09) If there is a Corporation and the 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 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. On payment of a reasonable copying charge, the Manager shall 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.

(3:07:10) (a) Within a reasonable time before the close of each financial year the Manager shall prepare budgets for the ensuing financial year which budgets shall include all sums which in the opinion of the Manager will be necessary to meet the Management Expenses for the then current financial year and shall include an amount for contingencies. Such

budgets except the first one shall be prepared in consultation with the Owners or the Owners' Committee or the Corporation (if formed).

- (b) In the event that the Manager is of the opinion that any of the budgeted sums for the then current financial year are insufficient to cover all expenditure which falls to be included in that budget it may prepare a revised budget or budgets in consultation with the Owners or the Owners' Committee or the Corporation (if formed).

(3:07:11) The Manager shall send to the Owners' Committee or the Corporation (if formed) a copy of such of the annual accounts, annual budgets, revised budgets or monthly accounts after the same shall have been prepared as herein provided and display the same in a prominent place in the Building and cause it to remain so displayed for at least seven consecutive days.

(3:07:12) The Manager shall invite each of the Owners to send their comments on the budget or revised budget prepared pursuant to Clause (3:07:10) of this Deed within a period of 14 days from the date the said budget or revised budget was sent to the Owners' Committee or the Corporation (if formed).

(3:07:13) Subject to Clause (3:07:14), if the Manager's appointment ends for any reason, he shall, as soon as practicable after his appointment ends, and in any event within 14 days of the date his appointment ends, deliver to the Owners' Committee (if any) or the Manager appointed in his place any movable property in respect of the control, management and administration of the Building that is under his control or in his custody or possession, and that belongs to the Corporation (if any) or the Owners.

(3:07:14) If the Manager's appointment ends for any reason, he shall within 2 months of the date his appointment ends : -

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

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

- (b) deliver to the Owners' Committee (if any) or the Manager appointed in his place any books or records of accounts, papers, documents and

other records which are required for the purposes of sub-clause (a) above and have not been delivered under Clause (3:07:13).

(4) **OWNERS' COMMITTEE**

(4:01) As soon as practicable and in any event not later than nine months after the date of this Deed, the Manager shall convene the first general meeting of all Owners (and to call further and subsequent meetings if required) for the purpose of electing the members, the chairman, the secretary and the treasurer of the Owners' Committee or appointing a management committee for the purpose of forming the Corporation. The functions of the Owners' Committee shall include but not limited to the following :-

- (a) representing the Owners in all dealings with the Manager;
- (b) giving to the Manager notices on behalf of the Owners;
- (c) undertaking such other duties as the Manager may, with the Owners' Committee's approval, delegate to the Owners' Committee; and
- (d) exercising all other powers and duties conferred on the Owners' Committee by virtue of this Deed and the Building Rules.

(4:02) (a) The Owners' Committee shall consist of five members elected by the Owners for the time being entitled to the exclusive use occupation and enjoyment of the Lot and/or the Building or part thereof.

- (b) The members of the Owners' Committee shall be made up of :
 - (i) four members from the Owners of the Residential Units as representatives of the Residential Units;
 - (ii) one member from the Owners of the Car Parks as representative of the Car Parks.

(c) The quorum for the conduct of business at any meeting of the Owners' Committee shall be 50% of the members of the Owners' Committee (rounded up to the nearest whole number) or three (3) members, whichever is the greater and any resolution passed thereat shall be by a simple majority of those members present and voting at such meeting. In case of any casual vacancy of chairman of the Owners' Committee, the members elected shall elect among themselves a chairman of the Owners' Committee who shall hold office until the next annual general meeting.

(4:03) A member of the Owners' Committee shall cease to hold office if :-

- (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 annual general meeting 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 ceases to be an Owner; or
- (f) he is removed from the office by the resolution passed at a meeting of Owners convened under this Deed.

In any of the events provided for in Clause (4:03) the Owners' Committee shall have the right to fill the casual vacancy thereby created.

(4:04) 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 corporate Owner. The appointment of a representative by a corporate body shall be in writing addressed to the Owners' Committee or the Manager before each of the first general meeting of Owners and the subsequent annual general meetings of Owners and may be revoked at any time on notice in writing being given to the Owners' Committee.
- (b) retiring member of the Owners' Committee shall be eligible for re-election.

(4:05) The Owners' Committee shall meet at such times as occasion shall require.

(4:06) (a) A meeting of the Owners' Committee may be convened at any time by the chairman or any 2 members of the Owners' Committee.

(b) 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. Such notice of meeting shall specify the date, time and place of the meeting and the resolutions (if any) that are to be proposed at the meeting.

(c) All notices of meeting required to be given as aforesaid shall be sufficiently given to a member of the Owners' Committee if a copy of such notices is delivered personally to that member of the Owners' Committee or is sent by post to that member of the Owners' Committee at his last known address or is left at the part of the Building owned by that member or deposited in the letter box for that part of the Building.

- (d) 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 of the Owners' Committee ("the Chairman") shall have, in addition to a deliberative vote, a casting vote.
- (e) A meeting of the Owners' Committee shall be presided over by the Chairman or in the absence of the Chairman, a member of the Owners' Committee appointed as chairman for that meeting.
- (f) The procedure at meetings of the Owners' Committee shall be as is determined by the Owners' Committee.

(5) **MEETINGS OF THE OWNERS**

(5:01) In addition to the first Owners' general meeting as mentioned in Clause (4:01) of this Deed, from time to time as occasion may require there shall be meetings of the Owners for the time being to discuss and decide on matters concerning the Lot and/or the Building as hereinafter mentioned and in regard to such meetings the following provisions shall apply :-

- (a) One such meeting to be known as the annual general meeting shall be held, in so far as is practicable, once in each calendar year commencing with the year following the first Owners' general meeting mentioned in Clause (4:01) of this Deed for the purpose of electing the members, the chairman, the secretary and the treasurer of the Owners' Committee and transacting any other business of which due notice is given in the notice convening the meeting.
- (b) No business shall be transacted at any meeting unless a quorum which shall be 10% of the Owners is present when the meeting proceeds to business. For the purpose of this sub-clause, the reference to "10% of the Owners" shall (i) be construed as a reference to 10% of the number of persons who are Owners without regard to their ownership of any particular percentage of the total number of Undivided Shares into which the Building is divided; and (ii) not be construed as the Owners of 10% of the Undivided Shares in aggregate.
- (c) The Chairman shall cause a record to be kept of the persons present in person or by proxy at the meeting, the appointment and vacation of appointments of all members of the Owners' Committee and all changes therein, the proceedings and resolutions of the Owners' meeting.
- (d) The procedure at a meeting of Owners shall be as is determined by the Owners.
- (e) Subject to Clauses (3:01:01), (3:01:02) and (6:10), resolutions shall be passed by a simple majority vote of those Owners present in person or by proxy at the meeting and voting in proportion to the number of Undivided Shares held.

- (f) At a meeting of Owners:-
- (i) an Owner shall have one vote in respect of each Undivided Share he owns;
 - (ii) an Owner may cast a vote personally or by proxy;
 - (iii) where 2 or more persons are the co-owners of an Undivided Share, the vote in respect of the Undivided Share may be cast :-
 - (1) by a proxy jointly appointed by the co-owners;
 - (2) by a person appointed by the co-owners from amongst themselves; or
 - (3) if no appointment is made under sub-sub-clause (1) or (2) above, 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.
- (g) An instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A of the Building Management Ordinance (Cap. 344), 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.
- (h) The instrument appointing a proxy shall be lodged with the Chairman of the Owners' Committee or, if the meeting is convened by the Manager or the Owner as mentioned in sub-clause (m)(ii) or (m)(iii) of this Clause, the person convening the meeting at least 48 hours before the time for the holding of the meeting.
- (i) 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.
- (j) Subject to Clauses (3:01:01), (3:01:02) and (6:10), any resolution on any matter concerning the Lot and the Building passed at a duly convened meeting by a simple majority vote of the Owners present in person or by proxy and voting shall be binding on all the Owners entitled to attend and vote at such meeting PROVIDED that :-

- (i) the notice convening the meeting shall have been duly given and shall have specified the intention to propose a resolution concerning such matters;
 - (ii) no resolution purporting to be passed at any such meeting concerning any matter not mentioned in such notice shall be valid; and
 - (iii) no resolution shall be valid to the extent that it purports to alter or amend the provisions of this Deed or is inconsistent herewith save as herein specifically provided.
- (k) The accidental omission to give notice as aforesaid to any Owner shall not invalidate the proceedings at any meeting or any resolution passed thereat.
 - (l) In no circumstances shall more than one vote be cast in respect of each Undivided Share.
 - (m) A meeting of Owners may be validly convened by (i) the Owners' Committee, (ii) the Manager, or (iii) an Owner appointed to convene such a meeting by the Owners of not less than 5% of the total number of the Undivided Shares (excluding the Undivided Shares allocated to the Common Areas and Common Facilities) in aggregate.
 - (n) 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. Such notice of meeting shall specify the date, time and place of the meeting and the resolutions (if any) that are to be proposed at the meeting.
 - (o) All notices required to be given as aforesaid shall be sufficiently given to an Owner if a copy of such notices is delivered personally to that Owner or is sent by post to that Owner at his last known address or is left at the part of the Building owned by that Owner or deposited in the letter box for that part of the Building.
 - (p) A meeting of Owners shall be presided over by the Chairman of the Owners' Committee or, if the meeting is convened by the Manager or an Owner appointed to convene such a meeting by the Owners of not less than 5% of the total number of the Undivided Shares (excluding the Undivided Shares allocated to the Common Areas and Common Facilities) in aggregate, the person convening the meeting.

(5:02) Notwithstanding anything herein contained, the Manager or the Corporation or other person holding Undivided Shares relating to the Common Areas and the Common Facilities as trustee for all the Owners pursuant to the provisions of the Government Grant or this Deed shall not be entitled to exercise any right of voting conferred on an Owner in respect of such Undivided Shares at any meeting whether under the provisions of this Deed, the Building Management Ordinance (Cap.344) or otherwise and shall not be liable to contribute to the Management Expenses, Manager's Remuneration or any other charges

under this Deed in respect of such Undivided Shares. Such Undivided Shares shall not be taken into account for the purpose of calculating the quorum of any meeting of the Owners or the percentage of Undivided Shares under Clauses (3:01:01), (3:01:02) and (6:10).

(6) **MISCELLANEOUS**

(6:01) Subject to Clause (6:02) of this Deed, no person shall after ceasing to be an Owner of any Undivided Shares be liable for any debts, liabilities or obligations under the covenants, terms and conditions of this Deed in respect of such Undivided Shares and/or the part of the Lot and/or the Building held therewith save and except in respect of any breach non-observance or non-performance by such person of any such covenant or term or condition prior to his ceasing to be the Owner thereof.

(6:02) Each Owner shall on ceasing to be the Owner of any Undivided Shares notify the Manager of such cessation and of the name and address of the new Owner.

(6:03) All Owners who do not occupy their Units shall provide the Manager with an address within Hong Kong for accepting service of process and notice under the terms of this Deed.

(6:04) All notices or demands required to be served hereunder shall be sufficiently served if addressed to the party intended to receive the same and sent by pre-paid post to or left at the last known address (if any) of such Owner notified to the Manager or if a copy is left at or sent to the Unit of which the party to be served is the Owner notwithstanding that such party is not personally occupying the same.

(6:05) Where notices or service of process are to be given or effected to an Owner who is a mortgagee such notice or service shall be served or effected on the mortgagee if a company at its registered office or last known place of business in Hong Kong and if an individual at his last known address. All notices or service of process required to be given to the Manager shall be properly served if sent to the registered office of the Manager or left at the Manager's office in the Building.

(6:06) Subject to Clause (6:10), nothing herein shall prejudice or overrule the operation of the Building Management Ordinance (Cap.344) and the Schedules thereto or be in breach of the Government Grant and to the extent that any provisions contained herein shall be in conflict with the Government Grant, the Government Grant shall prevail.

(6:07) (a) Within one month of the date of this Deed, the First Owner shall at its own cost provide direct translation in Chinese of this Deed and shall deposit a copy of this Deed and the Chinese translation in the management office for inspection by all Owners free of costs and for taking of copies by the Owners at the Owners' expense and upon payment of a reasonable charge. All charges received shall be credited to the building account of the Special Fund. In the event of any dispute as to the effect of the Chinese translation and the English document, the English version is to prevail.

(b) The First Owner shall deposit a full copy of the Maintenance Manual in the management office within one month of the date of this Deed for inspection by all Owners free of charge and taking copies on payment of a reasonable charge all of which shall be credited to the building account of the Special Fund.

(6:08) The Manager shall make available for inspection by the Owners during normal office hours free of costs and charges the copies of the plans showing all the Common Areas and additional Common Areas (certified as to their accuracy by the Authorised Person) and the Common Facilities and additional Common Facilities (in so far as it is practicable for them to be identified on the plans) at the management office in the Building.

(6:09) The covenants and provisions of this Deed shall be binding on the First Owner and the Second Owner and their respective executors administrators successors in title and assigns and the benefit and burden of the covenants herein mentioned shall be annexed to every part of the Lot and the Building and each Unit and shall run with the land and the interest therein of the First Owner and the Second Owner and the Conveyancing and Property Ordinance (Cap 219) shall apply to these presents.

(6:10) In the event of the whole or any part of the Building being so damaged by fire, typhoon, earthquake, subsidence or other causes so as to render the same substantially unfit for habitation or use or occupation, the Owners of not less than 75% of the Undivided Shares of such damaged part (excluding the Undivided Shares allocated to the Common Areas and the Common Facilities of such damaged part) may convene a meeting of the Owners of such part of the Building and such meeting may resolve on whether or not to rebuild or reinstate the damaged part of the Building by a resolution of not less than 75% of the Owners present at the meeting and in the event of voting that by reason of insufficiency of insurance money or changes in building law and/or regulations or any other circumstances whatsoever, it is not practicable to reinstate or rebuild such part of the Building then in such event the Undivided Shares in and of such part of the Building shall be acquired by the Manager and the Owners of such Undivided Shares shall in such event be obliged to assign the same and all rights and appurtenances thereto to the Manager upon trust to forthwith dispose of the same by public auction 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 Owners. All insurance money received in respect of any policy of insurance on such part of the Building shall likewise be distributed amongst such Owners PROVIDED ALWAYS THAT if it is resolved to reinstate or rebuild such part of the Building the Owners of such part of the Building shall pay the excess of the cost of reinstatement or rebuilding of the relevant part of the Building damaged as aforesaid over and above the proceeds recoverable from the insurance of such part of the Building in proportion to the respective number of Undivided Shares held by them and that until such payment the same will become a charge upon their respective Undivided Shares allocated to the relevant part of the Building and be recoverable as a civil debt. The resolution passed in such meeting in the manner as aforesaid shall bind upon all the Owners of such damaged part of the Building.

(6:11) The provisions in Schedule 8 to the Building Management Ordinance (Cap.344) shall not apply to the meeting convened pursuant to Clause (6:10) of this Deed. The First Owner shall deposit a copy of Schedules 7 and 8 to the Building Management Ordinance (Cap.344) (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 building account of the Special Fund.

(6:12) The Manager may appoint or employ agents, contractors or sub-managers (including professional property management companies) to carry out various aspects of the management works or management works in respect of certain area(s) of the Building but shall not transfer or assign his duties or obligations under this Deed to any of those persons and such person shall remain responsible to the Manager. The Manager shall at all times remain responsible for the management and control of the Lot and the Building (including any part thereof) and any provision in this Deed which takes away or reduces such responsibility shall be invalid but without prejudice to the enforceability of other provisions which are not in breach of or in conflict with this Clause.

(6:13) Each Owner (including the First Owner) and the Manager hereby covenant with each other that they will comply with the terms and conditions of the Government Grant so long as such Owner and the Manager remain as an Owner or (as the case may be) the Manager of the Building.

(6:14) (a) The First Owner shall compile for the reference of the Owners and the Manager a maintenance manual for the Works and Installations (“the Works Manual”) setting out the following details :

- (i) As-built record plans of the building and services installations together with the necessary technical information (such as specifications of materials and design standard) for maintenance of all facilities and equipment;
- (ii) All warranties and guarantees provided by contractors (together with the names of the companies providing the warranty and the contact telephone numbers) in respect of all facilities and equipment;
- (iii) Recommended maintenance strategy and procedures;
- (iv) A list of items of the Works and Installations requiring routine maintenance;
- (v) Recommended frequency of routine maintenance inspection;
- (vi) Checklist and typical inspection record sheets for routine maintenance inspection; and
- (vii) Recommended maintenance cycle of the Works and Installations.

(b) The First Owner shall deposit a full copy of the Works Manual in the management office within one month of the date of this Deed for inspection by all Owners free of charge and taking copies at their own expense and on payment of a reasonable charge all of which shall be credited to the building account of the Special Fund.

(c) The Owners shall at their own expense inspect, maintain and carry out all necessary works for the maintenance of the Building and their own Units including the Works and Installations.

(d) All costs incidental to the preparation of the schedule of the Works and Installations and the Works Manual shall be borne by the First Owner.

(e) The Owners may, by a resolution of Owners at an Owners' meeting convened under this Deed, decide on any necessary revisions to be made to the schedule of the Works and Installations and the Works Manual from time to time as they shall deem fit, in which event the Manager shall procure from a qualified professional or consultant the revised schedule of the Works and Installations and the revised Works Manual within such time as may be prescribed by the Owners in an Owners' meeting convened under this Deed. All costs incidental to the preparation of the revised schedule of the Works and Installations and the revised Works Manual shall be paid out of the building account of the Special Fund.

(f) The Manager shall deposit the revised Works Manual in the management office within one month from the date of its preparation for inspection by all Owners free of charge and taking copies at their own expense and on payment of a reasonable charge all of which shall be credited to the building account of the Special Fund.

(6:15) Notwithstanding anything herein contained until such time as the Mortgagee enters into possession of the Units mortgaged or charged to the Mortgagee under the Mortgage, 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 Mortgagee, and no liability for any payment under this Deed shall be binding on the Mortgagee in respect of any sums accrued prior to the Mortgagee entering into possession.

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

THE FIRST SCHEDULE ABOVE REFERRED TO
UNDIVIDED SHARES ALLOCATION

	<u>No. of Undivided Shares</u>
Residential Units	2991
Car Parks	
Residential Car Parking Spaces	169
Residential Motor Cycle Parking Spaces	4
Common Areas and Common Facilities	100
	<hr/>
Total Undivided Shares :	<u>3264</u>

Allocation of Undivided Shares to each Residential Unit

<u>Floor</u>	<u>Flat</u>	No. of Undivided Shares allocated to each <u>Residential Unit</u>	<u>Total</u>
2 nd to 8 th	A	122	732
2 nd to 8 th	B	121	726
9 th and 10 th	A (Duplex)	253	253
9 th and 10 th	B (Duplex)	252	252
11 th and 12 th	A (Duplex)	253	253
11 th and 12 th	B (Duplex)	252	252
15 th and 16 th	A (Duplex with flat roof thereabove)	262	262
15 th and 16 th	B (Duplex with flat roof thereabove)	261	261
(4 th , 13 th and 14 th Floors are omitted)			

Allocation of Undivided Shares to Car Parks

<u>Car Parks</u>	<u>No. of Undivided Shares allocated to each Car Park</u>	<u>Total</u>
<u>Residential Car Parking Spaces</u>		
Nos.1 to 13 on the Ground Floor	13	169

Residential Motor Cycle Parking Spaces

Nos.MC1 and MC2 on the Ground Floor	2	4
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THE SECOND SCHEDULE ABOVE REFERRED TO
MANAGEMENT SHARES ALLOCATION

	<u>No. of Management Shares</u>
Residential Units	2991
Car Parks	
Residential Car Parking Spaces	169
Residential Motor Cycle Parking Spaces	4
	<hr/>
Total Management Shares :	<u>3164</u>

Allocation of Management Shares to each Residential Unit

<u>Floor</u>	<u>Flat</u>	<u>No. of Management Shares allocated to each Residential Unit</u>	<u>Total</u>
2 nd to 8 th	A	122	732
2 nd to 8 th	B	121	726
9 th and 10 th	A (Duplex)	253	253
9 th and 10 th	B (Duplex)	252	252
11 th and 12 th	A (Duplex)	253	253
11 th and 12 th	B (Duplex)	252	252
15 th and 16 th	A (Duplex with flat roof thereabove)	262	262
	B (Duplex with flat roof thereabove)	261	261
(4 th , 13 th and 14 th Floors are omitted)			

Allocation of Management Shares to Car Parks

<u>Car Park</u>	No. of Management Shares <u>allocated to each</u> <u>Car Park</u>	<u>Total</u>
<u>Residential Car Parking Spaces</u>		
Nos.1 to 13 on the Ground Floor	13	169

Residential Motor Cycle Parking Spaces

Nos.MC1 and MC2 on the Ground Floor	2	4
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THE THIRD SCHEDULE ABOVE REFERRED TO
EASEMENTS, RESERVATIONS, RIGHTS, PRIVILEGES AND OBLIGATIONS

(1) Each Owner shall hold the Unit to the use of which he is entitled hereunder, subject to and with the benefit of the following rights privileges and obligations PROVIDED that all such easements rights and privileges shall be held and enjoyed subject to the provisions of this Deed and the Building Rules made hereunder and subject to the rights of the First Owner and the Manager provided in this Deed :-

- (a) Full right and liberty (but subject always to the rights of the Manager hereunder) for the Owner, his servants, agents and licensees (in common with all other persons having the like right):
 - (i) of a Unit to go pass and repass over and along the Building Common Areas for all purposes connected with the proper use and enjoyment of his Unit and to use the Building Common Facilities subject as aforesaid;
 - (ii) of a Residential Unit to go pass and repass over and along the Residential Common Areas for all purposes connected with the proper use and enjoyment of his Residential Unit and to use the Residential Common Facilities subject as aforesaid;
 - (iii) of a Car Park to go pass and repass over and along the Car Park Common Areas for all purposes connected with the proper use and enjoyment of his Car Park and to use the Car Park Common Facilities subject as aforesaid.
- (b) Full right to subjacent and lateral support and shelter from other portions of the Building and subject to such rights for such other portions.
- (c) The free and uninterrupted passage and running of water, sewages, gas, telecommunications and electricity from and to the Unit(s) owned by the Owner through the sewers, drains, water-courses, cables, pipes and wires which now are or may at any time hereafter be in under or passing through the Lot and/or the Building for the proper use and enjoyment of the Unit(s) owned by the Owner but subject always to the rights of the Manager hereunder PROVIDED that the public utilities supplied by Government departments and the public utilities companies shall not be interrupted.
- (d) The right for the Owner or occupier for the time being with or without servants, workmen and others at all reasonable times on written notice (except in case of emergency) to the relevant Owner(s) of the other Units or the Manager (as the case may be) to enter into and upon the other Units for the purposes of carrying out any work necessary for the maintenance and repair of his Unit or its services (such work not being the responsibility of the Manager hereunder) causing as little disturbance as possible and making good any damage caused thereby.

- (e) As far as the Owners of the Residential Units are concerned, full right and liberty (in common with all other persons having the like right) to use the Residential Common Areas and the Residential Common Facilities subject as aforesaid.
- (f) As far as the Owners of the Car Parks are concerned, full right and liberty (in common with all other persons having the like right) to use the Car Park Common Areas and the Car Park Common Facilities subject as aforesaid.
- (g) Full right and liberty (in common with all other persons having the like right) to use the Building Common Areas and the Building Common Facilities subject to any Building Rules as may be imposed from time to time by the Manager.

(2) Easements rights and privileges subject to which the Undivided Shares of and in the Lot and the Building and the exclusive right to hold use occupy and enjoy each Unit is held :-

- (a) Full right and privilege for the Manager with or without agents servants workmen and others at all reasonable times, on reasonable notice (except in case of emergency), to enter into and upon each Unit and the Common Areas for the purposes of inspecting, examining, repairing, maintaining, cleaning, painting or decorating any part of the Building or any services therein or any other apparatus and equipment used or installed for the benefit of the Lot and/or the Building or any of them or any part thereof as part of the amenities thereof and not by any individual Owner for his own purposes or enjoyment and/or abating any hazard or nuisance which does or may affect the Common Areas and the Common Facilities or other Owners or for the purpose of discharging the Manager's duties under this Deed Provided That the Manager shall at its own costs and expenses repair and make good any damage caused thereby and the Manager shall be liable for the negligent, wilful or criminal acts of the Manager and its agents servants workmen contractors and other persons duly authorised by the Manager.
- (b) The right for the Manager, its servants, agents, contractors and persons duly authorized on prior reasonable notice (except in case of emergency) to gain access to and enter upon any flat roof forming part or parts of any Unit or Units and to remain there 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 the Common Facilities in or upon such flat roof or to which access is gained via such flat roof and, on a temporary basis, to erect, place or store on any such flat roof any scaffolding or other plant, equipment or materials necessary for the purpose of any aforesaid works for so long as such works are being carried on.
- (c) The right for the Manager for the purpose of carrying out the works or repairs or maintenance to the curtain wall of the relevant Residential Unit mentioned in sub-clause (b) of Clause (6:15) of this Deed to enter into and upon the

relevant Residential Unit with or without servants, surveyors, contractors, workmen and others and with or without plant, equipment, material and machinery at all reasonable times on reasonable prior notice (except in case of emergency) Provided That the Manager, its servants, agents, contractors and duly authorized persons in exercising the aforesaid rights shall cause as little disturbance as reasonably practicable and shall at their expense make good any damage caused thereby and the Manager shall be liable for the negligent, wilful or criminal acts of the Manager and its employees agents servants workmen contractors and other persons duly authorised by the Manager.

- (d) Easements rights and privileges over along and through each Unit equivalent to those set forth in paragraphs (1)(b) to (1)(d) of this Schedule.

Provided always that the Manager shall have full right and authority to control and manage the Common Areas and the Common Facilities.

(3) Notwithstanding any terms contained herein to the contrary, there is excepted and reserved and/or (as the case may be) granted unto the First Owner its successors and assigns (which expression shall for the purpose of this Clause exclude the Second Owner) at all times hereafter during the residue/entitlement of the term of years created by the Government Grant subject to and with the benefit of this Deed and the Government Grant, the right to the exclusive use occupation and enjoyment of the Building save and except the Unit assigned to the Second Owner and the Common Areas and Common Facilities or such areas intended or designated and declared for common use.

THE FOURTH SCHEDULE ABOVE REFERRED TO
COVENANTS, PROVISIONS AND RESTRICTIONS TO BE OBSERVED
AND PERFORMED BY THE OWNERS

- (1) Every assignment of an Undivided Share in the Lot and the Building and/or a Unit shall contain an express covenant by the purchaser thereof to notify the Manager of any change of ownership within one month from the date of the assignment. The previous Owner shall remain liable for his proportion of the Manager's Remuneration and the Management Expenses until such time as the previous Owner shall cease to be an Owner of his Unit.
- (2) Each Owner shall promptly pay and discharge all existing and future taxes, rates, assessments and outgoings of every kind and description for the time being assessed or payable in respect of that part of the Lot and/or the Building owned by him and shall indemnify the other Owners from and against all liability therefor.
- (3) Each Owner shall pay to the Manager on the due date his due proportion of the Manager's Remuneration and the Management Expenses payable by such Owner as herein provided.
- (4)
 - (a) None of the Owners shall make any structural alteration or addition to any part of the Unit or the Building or the Lot which may damage or affect or interfere with the rights of the other Owners of any other part or parts of the Lot and/or the Building whether or not in separate or common occupation. Notwithstanding anything herein contained, nothing herein contained shall prevent any of the Owners from taking any legal action against another Owner to enforce paragraph 4(a) of this Schedule.
 - (b) None of the Owners shall cut, injure, damage, alter or interfere with any part or parts of the Common Areas or any of the Common Facilities or any equipment or apparatus or installations on in or upon the Lot and/or the Building (whether or not such equipment apparatus or installations are concealed, built in walls floors or ceilings, or pass through the Unit(s) or Common Areas) not being equipment or apparatus or installations for the exclusive use and benefit of any such Owner.
 - (c) No Owner (including the First Owner) shall have the right to convert any of the Common Areas to his own use or for his own benefit unless the approval of the Owners' Committee has been obtained. Any payment received for the approval as aforesaid shall be credited to the relevant account of the Special Fund held for that relevant part of the Common Areas and Common Facilities.
 - (d) Save for the rights of the First Owner under Clause (1:07)(h) of this Deed, no Owner (including the First Owner) will have the right to convert or designate any of his own areas (that is areas to which he is entitled to exclusive use, occupation or enjoyment) as Common Areas unless the approval by a resolution of Owners at an Owners' meeting convened under this Deed has been obtained. No Owner (including the First Owner) and no Manager will

have the right to re-convert or re-designate the Common Areas to his or its own use or benefit.

(5) Each Owner shall comply with the terms and conditions of the Government Grant so long as such Owner owns any interest in the Lot and/or the Building and no Owner will permit or suffer to be done any act or thing in contravention of the terms and conditions of the Government Grant or the Occupation Permit or whereby any insurance on the Building or any part thereof may become void and voidable or whereby the premiums for any such insurance may be increased and in the event of any breach of this provision 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 and in the event of the Building or any part thereof being damaged or destroyed by fire at any time and the insurance under any insurance against fire affected thereon being wholly or partially irrecoverable by reason solely or in part of any act or default of any Owner then such Owner shall forthwith pay to the other Owners the whole or (as the case may require) a fair proportion of the costs of rebuilding or reinstating the same.

(6) No Owner shall at any time exercise or attempt to exercise any statutory or common law right to partition the Lot and/or the Building or any Residential Unit or Car Park Provided this provision shall not be construed as precluding the installation of any physical partition in or on the Lot and/or the Building or part(s) thereof with the approval of the relevant Government department(s).

(7) No Owner shall do or permit or suffer to be done and each Owner will take all possible steps to prevent his tenants, occupiers or licensees from doing any act, deed, matter or thing which in any way interferes with or affects or which is likely to interfere with or affect the management and the maintenance of the Lot and the Building or contravention of the provisions of this Deed.

(8) (a) Each Owner shall in such manner so as to avoid any loss, damage, nuisance or annoyance to the Owners or occupiers of the other Units, at his sole expense repair maintain and keep in good repair and condition the Unit of which he is the owner its equipment apparatus services and facilities and shall when necessary replace any part or parts thereof which require replacement. The equipment apparatus services and facilities which require such maintenance, repair or replacement shall include but not limited to the following provided within the Unit :-

(i) Water Supply: (Potable and flushing water installation from, and including, the principal branch stop cocks to all facilities serving the Unit. This shall include storage tanks, pipework control valves, water heaters, taps and sanitary facilities).

(ii) Gas: (The gas internal pipings and installation from the outlet side of the meter and including appliances).

(iii) Electrical: (All electrical wiring, appliances and equipment serving the Unit only. If so required the Owner shall repair or replace any wiring

or equipment if so required by the Electricity Supply Ordinance or any Orders in Council or Regulations made thereunder).

(iv) Air-conditioning Equipment: (Air-conditioning plant (if any), equipment, ductwork and associated controls serving the Unit exclusively as installed in the Unit and/or the Common Areas).

(v) Drainage Installations: (Waste pipes and sewage waste drainage, and including connections to the main drainage stacks up to and including connections with sanitary appliances including baths, basins, showers, bidets and sinks).

(b) The expenses for keeping the interior of each Unit and all the fittings, fixtures, wiring (including security wiring (if any) which is connected to the security system of the Building), plumbing and other services therein and all the windows and doors thereof, in good and tenantable repair and condition as aforesaid shall be borne directly by the Owner thereof.

(9) No Owner shall use or permit or suffer the Unit owned by him to be used for any illegal or immoral purpose nor will he do cause or permit or suffer to be done any act or thing which may be or become a nuisance or annoyance to or cause damage to the other Owners or occupiers for the time being of the Lot or neighbouring premises.

(10) No Owner shall use or permit or suffer any part of the Building owned by him to be used except in accordance with the Government Grant and any applicable Building Regulations or any Ordinances and Regulations or other permit, consent or requirement from time to time applicable thereto.

(11) No part of the Common Areas shall be obstructed or incumbered nor shall any refuse or other matter or things be placed or left thereon and no Owner will do or suffer or permit to be done anything in such Common Areas as may be or become a nuisance to any other Owners or occupiers of the Building.

(12) The refuse disposal areas (if any) shall be used only in the manner prescribed by the Manager and subject to the Building Rules (if any) covering the same.

(13) No Owner shall be entitled to connect any installation to any aerial (if any) installed by the Manager except with the permission of the Manager and in accordance with any Building Rules relating to the same. In addition, save as otherwise provided in this Deed, no Owner shall affix or install any aerial on the exterior of his Unit.

(14) Save as otherwise provided in this Deed, no Owner shall affix or install any structures, chimneys, neon signs, or signs of any kind on Common Areas, the flat roof of his Unit or such part(s) of the curtain walls enclosing his Unit without the consent in writing of the Manager and the affixing or installation of the said structures, chimneys, neon signs or signs shall be subject to the prior approval or consent having been obtained from the relevant Government authorities or department if such approval or consent is required and subject also to compliance with all applicable Building Regulations or any ordinances, legislations and

regulations or other permit, consent or requirement from time to time applicable. No Owner shall affix any advertisement or signs of any kind whether inside or outside his Unit which is/are visible from the outside of his Unit or will alter or affect the original design of his Unit. No illegal structures shall be affixed or installed in any part of the Lot and/or the Building.

(15) Save as otherwise provided in this Deed, no Owner shall paint, change or alter or replace with material different from that already provided to the roof, flat roof, parapet wall, glass balustrade of the flat roof, or window, curtain wall system or the exterior or outside of any part of the Building or the exterior or outside of any part of any Unit or erect any forecourt entrance gate or fences or do or permit to be done any act or thing which may be or will alter the facade or external appearance of the Building and/or any Unit including the carrying out of any internal decoration or alteration works which affect the facade or external appearance or original design of the facade of any Unit without the prior consent in writing of the Manager.

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

(17) All Owners shall at all times observe and perform and shall ensure that his tenants, licensees, agents or servants shall at all times observe and perform all the covenants, conditions and provisions of this Deed and the Building Rules (if any).

(18) Each Owner may at his own expense install in the Unit owned by him such additions, improvements, lights, fixtures, fittings and decoration and remove the same Provided however that no such installation or removal shall cause any structural damage or interfere with the enjoyment of any part of the Lot and/or the Building or shall contravene any applicable laws and regulations or be in breach of the terms of this Deed.

(19) No clothing or laundry shall be hung outside the Unit or on any roof, flat roof or any part thereof (other than in the spaces specifically provided therefor) or in the Common Areas.

(20) No Owner shall do or suffer or permit to be done anything whereby the flushing or drainage system of the Unit may be clogged or the efficient working thereof may be impaired.

(21) All Residential Units must be used for residential purposes only. No Unit shall under any circumstances be used or permitted or suffered to be used for the purpose of a dancing hall, boarding house, guest house, apartment house (or any form of commercial letting or occupancy in bed spaces or cubicles), bath house, hotel, funeral parlour, coffin shop, temple, Buddhist or any other religious hall, or for the performance of the ceremony known as "Ta Chai (打齋)" or any other religious ceremonies or for any obnoxious purposes SAVE AND EXCEPT that the First Owner may use any Units owned by him as show flats for such period or periods as it shall in its discretion consider appropriate.

(22) No Owner shall affix or install onto the External Walls or through the windows of his Unit(s) any air-conditioners other than at the air-conditioning hoods (if any) already provided or at such places designated for such purposes without the prior written consent of the

Manager and all possible measures shall be taken to prevent excessive noise, condensation or dripping on to any part of the Lot and/or the Building.

(23) No part of the Common Areas shall be obstructed or incumbered nor shall any refuse, matter or other thing be placed thereon nor shall any part of such Common Areas be used for any business or private purpose and no Owner shall do or permit or suffer to be done anything in such Common Areas as may be or become a nuisance or cause annoyance to any other Owners or occupiers of the Lot and/or the Building. If and whenever any article or things shall be placed or left by any Owner on or in any part of the Common Areas, then the Manager or its agents servants caretakers or cleaners of the Building shall have the right without giving any prior notice to the defaulting Owner to remove such article or thing from such part of the Common Areas to another place or places as the Manager shall think fit and all costs and expenses incurred by the Manager for such removal shall be reimbursed upon demand to the Manager by the defaulting Owner and the defaulting Owner shall not claim against the Manager or its agents, servants, caretakers or cleaners for any loss or damage to such article or thing due to such removal.

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

(25) Each Owner shall be responsible for the removal of garbage and refuse from his Unit(s) to such locations in the Lot and/or the Building as shall be specified by the Manager from time to time. The Owner and the occupier shall ensure that all refuse containers shall be fully sealed at all times.

(26) No Owners shall be entitled to use the services of caretakers and/or watchman or other staff of the Manager for his own private business or other business save as herein provided.

(27) Each Owner of the Units shall be responsible to the Manager and all 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 such Owner or any occupier of any Unit owned by him or any person using such Unit with his consent express or implied for the breach or non-compliance of the Owner's obligations hereunder or by or through or in any way owing to the defective condition thereof or the overflow of water therefrom.

(28) Each Owner of the Unit shall be responsible to the other Owners for the time being for the acts and omissions of all persons occupying with his consent express or implied any part or parts of the Units owned by him for the breach or non-compliance of the Owner's obligations hereunder and shall pay all costs, charges and expenses incurred in repairing or making good any loss or damage caused by such acts, neglect or default of any such person. In the case of loss or damage which the Manager is responsible to make good or repair, such costs, charges and expenses shall be recoverable by the Manager as herein provided and in the case of loss or damage suffered by other Owners or occupiers of any part of the Lot and/or the Building for which the Manager is not responsible to repair or make good, such

costs, charges and expenses together with all other damages recoverable by law shall be recoverable by the person or persons sustaining the loss or damage.

(29) The Recreational Areas and the Recreational Facilities shall only be used and enjoyed for recreational purposes by the residents of the Residential Units and their bona fide visitors and all Owners shall observe and perform all regulations or rules made by the Manager in connection with the Recreational Areas and Recreational Facilities (if any) when using or visiting such Recreational Areas and Recreational Facilities.

(30) No partitioning shall be erected or installed which does not leave clear access for fire exits and no windows of any part of the Building shall be wholly or partially blocked or the light and air therefrom be in any way obstructed.

(31) No Owner shall make any alteration to the sprinkler system (if any) or any other fire fighting installations of the Building or suffer to be done anything to such sprinkler system (if any) or fire fighting installations which would constitute a breach of the laws, bye-laws or regulations of the Fire Services Department or other department concerned.

(32) The installation of and repair to the electrical wiring from the switch rooms or meter rooms in the Building to any Unit shall be carried out by the Manager or any contractor appointed or approved by the Manager at the expense of the Owner or Owners thereof and in such manner as the Manager shall in its absolute discretion think fit.

(33) Any installation, alteration or repair works which may pass through the Common Areas or affect the Common Facilities shall, subject to the prior written approval of the Manager, be carried out by the Manager or any contractor appointed or approved by the Manager at the expense of the Owner or Owners requiring such works and in such manner as the Manager shall in its absolute discretion think fit.

(34) No Owner shall have the right to enter into, alter, repair, connect to or in any other way interfere with or affect the working of the Common Facilities without the previous written consent of the Manager. Except as provided herein, the Common Areas and the Common Facilities shall at all times be under the exclusive management and control of the Manager who shall have full and unrestricted power to regulate and control the reasonable use thereof by the Owners and occupiers.

(35) No Owner shall allow any noxious dangerous poisonous or objectionable effluent to be discharged into the pipes drains or sewers and each Owner shall take all such measures as may be necessary to ensure that any effluent so discharged will not be corrosive or otherwise harmful to the pipes drains or sewers or cause obstruction or deposit therein and no Owner shall do or suffer or permit to be done anything whereby the flushing or drainage system of the Building may be clogged or the efficient working thereof may be impaired.

(36) No Owner shall erect affix install or attach or permit or suffer to be erected affixed installed or attached to in or on or at the door or doors or entrance or entrances of any Unit any metal grille or shutter or gate.

(37) No Owner shall place or suffer to be placed on any floor of the Building or any part thereof any goods articles or thing which may exceed or cause to be exceeded the maximum floor loading capacity thereof and in the event of breach of this covenant the Owner shall make good any damage caused thereby to the Unit or any other part of the Building or any fixtures and fittings therein provided that the making good of such damage as aforesaid shall be without prejudice to any further right available to the Manager by virtue of such breach.

(38) No Owner shall bring on to or keep or harbour any dogs, cats, livestock, live poultry, fowls, birds or other animals on any part of the Building PROVIDED THAT (a) such dogs, cats, livestock, live poultry, fowls, birds or other animals may be kept in a Residential Unit as pets unless the same has been the cause of reasonable written complaint by at least 2 Owners or occupiers of any part of the Building, and (b) trained guide dogs on leash for the blind may be brought into any part of the Building whilst guiding any person with disability in vision.

(39) The Owner or Owners of any Residential Unit with flat roof adjoining thereto or held therewith shall :-

- (a) not cause or permit the erection on his part of the flat roof thereof or any part thereof of structures of any kind other than as under the Approved Plans and not cause or permit the flat roof to be enclosed above parapet height and not cause or permit the flat roof to be partitioned either in whole or in part; and
- (b) not use nor permit to be used his part of the flat roof thereof in any manner so as to cause nuisance or annoyance to the co-owners or occupiers of other Units and shall be responsible for maintaining and keeping his part of the flat roof thereof at his own expense in good repair and condition.

The Manager shall have the right to enter and remove from the flat roof such unauthorised structures at the cost and expense of the defaulting Owner.

(40) The Owners of the flat roofs forming parts of their Units shall not put install or otherwise place any article upon the said flat roofs thereby obstructing the access to or through such flat roofs by the Manager and/or other Owners for the purpose of exercising their respective rights under this Deed.

(41) The Owners of the flat roofs forming parts of their Units shall permit all Owners and all occupiers or visitors of the Building to enter upon the flat roofs in the event of fire or other emergency.

- (42)
 - (a) Each Residential Car Parking Space shall not be used for any purpose other than for the parking of one motor vehicle licensed under the Road Traffic Ordinance, any regulations made thereunder and any amending legislation and belonging to the residents of the Residential Units and their bona fide guests, visitors or invitees and subject to any Building Rules as may be imposed from time to time by the Manager.
 - (b) Each Residential Motor Cycle Parking Space shall not be used for any purpose other than for the parking of one motor cycle licensed under the Road

Traffic Ordinance, any regulations made thereunder and any amending legislation and belonging to the residents of the Residential Units and their bona fide guests, visitors or invitees and subject to any Building Rules as may be imposed from time to time by the Manager.

(c) The Car Parks shall not be used for the storage, display or exhibiting of motor vehicles and/or motor cycles for sale or otherwise or for the provision of car cleaning and beauty services.

(d) The Owners and occupiers of the Car Parks shall park their motor vehicles or motor cycles (as the case may be) within their own Car Parks.

(e) No Owner or occupier of a Car Park may park his motor vehicle or motor cycle (as the case may be) in such a manner so as to cause inconvenience or annoyance to the Owners of other Car Parks.

(f) No Owner or occupier of a Car Park shall allow any motor vehicle or motor cycle (as the case may be) parked in that Car Park to deteriorate to a condition detrimental to the environmental appearance of the Building.

(43) The Owners shall at their own costs and expenses maintain in good substantial repair and condition and carry out all works in respect of the Slope and Retaining Structures as required by the Government Grant and in particular in accordance with the Geoguide 5 - Guide to Slope Maintenance issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and the Maintenance Manual and all guidelines issued from time to time by the appropriate Government department regarding the maintenance of the Slope and Retaining Structures.

(44) No Owner shall install or affix any canopies or awnings in any part of flat roof of a Residential Unit.

(45) The Owner or Owners of any Residential Unit with flat roof adjoining thereto or held therewith shall not cause or permit the flat roof to be enclosed and shall not place or erect any hut shed caravan house on wheels or other chattels adapted used or intended for use as a sleeping apartment nor any shown booths, hoardings or advertising stations or other temporary erection on the flat roof.

(46) No Owner shall use any part of the flat roof or roof for the purpose of storage, or drying goods or laundry.

(47) No Owner shall burn any leaves or waste articles in any part of the flat roof or roof.

(48) No tree growing on the Lot or adjacent thereto as at the date hereof or transplanted or replanted at the request of the Director of Lands shall be interfered with without the prior written consent of the Director of Lands.

(49) The Owner or Owners of any Unit or Units with flat roof adjoining thereto or held

therewith shall on receipt of prior reasonable notice (except in case of emergency) allow the Manager, its servants, agents, contractors and persons duly authorized with or without appliances to enter into any flat roof forming part or parts of any Unit or Units and to remain there 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 the Common Facilities in or upon such flat roof or to which access can only be safely and effectively gained via such flat roof and, on a temporary basis, to erect, place or store on any such flat roof any scaffolding or other plant, equipment or materials necessary for the purpose of any aforesaid works for so long as such works are being carried on Provided that the Manager shall cause as little disturbance as possible when carrying out such works and shall at its own costs and expenses repair and make good any damage caused by the negligent, wilful or criminal acts of the Manager or its employees contractors servants and agents and the Manager shall be liable for the negligent, wilful or criminal acts of the Manager or its employees contractors servants and agents.

(50) The Owner or Owners of any Unit or Units with flat roof adjoining thereto or held therewith shall not put install or otherwise place any article upon any flat roof forming part or parts of any Unit or Units thereby obstructing the access to such flat roof by the Manager for the purpose of exercising its rights under Clauses 2(b) and 2(c) of the Third Schedule.

(51) Each Visitors' Car Park shall not be used for any purpose other than for the parking of one motor vehicle licensed under the Road Traffic Ordinance, any regulations made thereunder and any amending legislation and belonging to the bona fide guests, visitors or invitees of the residents of the Residential Units of the Building and subject to payment of such fees which shall be credited to the Management Fund and to any Building Rules as may be imposed from time to time by the Manager. The Visitors' Car Parks shall not be used for the storage, display or exhibiting of motor vehicles for sale or otherwise or for the provision of car cleaning and beauty services.

(52) (a) The Owner of each Residential Unit shall at his own cost and expense be responsible for the cleaning of the internal surface of the curtain walls (including the openable windows and/or the non-openable windows installed therein or thereto) enclosing his Unit. The Owner of each Residential Unit shall at his own cost and expense be responsible for and ensure the proper maintenance, replacement and repair works of the openable windows installed in any curtain walls enclosing his Unit and the frames enclosing the glass panels of such openable windows, glass panels, hinges, locks, handles, cast-in anchors, gasket, window sealant and such other components of such openable windows to the extent being consistent with the original design, quality and appearance to the satisfaction of the Manager and taking all necessary actions to avoid any damage, nuisance, disturbance, interference, obstruction or danger caused to any other part of the Building. In the event of any failure on the part of the Owner of a Residential Unit to comply with this sub-clause, all losses, damages, costs and expenses suffered or incurred by the Owner(s) of the other parts of the Building as a result thereof shall be a debt due to him/them by the Owner of the Residential Unit in default.

(b) The Owner of each Residential Unit shall at his own cost and expense carry out such renovation, repair, replacement and/or maintenance works to the openable windows installed in any curtain walls enclosing his Unit and the frames enclosing the glass panels of

such openable windows, glass panels, hinges, locks, handles, cast-in anchors, gasket, window sealant and such other components of such openable windows to the extent being consistent with the original design, quality and appearance at such intervals or in such circumstances as the Manager shall reasonably consider appropriate and demand. The Owner of each Residential Unit shall only engage contractors nominated or approved by the Manager to carry out the aforesaid works. In the event of any failure on the part of the Owner of a Residential Unit to comply with this sub-clause, the Manager shall have the right, but not obliged, to carry out such works or repairs or replacement or maintenance at the cost and expense of the Owner of the Residential Unit in default. For the purpose of carrying out the said works or repairs or replacement or maintenance, the Manager may enter into and upon the relevant Residential Unit with or without servants, surveyors, contractors, workmen and others and with or without plant, equipment, material and machinery at all reasonable times on reasonable prior written notice (except in case of emergency). In the exercise of any of the aforesaid rights, the Manager shall ensure that the least disturbance as is reasonably practicable is caused and the use and enjoyment of the relevant Residential Unit shall not be unreasonably interfered with and any damage or loss caused to any part or parts of such Residential Unit shall be made good by the Manager with due diligence in accordance with or in compliance of the provisions of the Government Grant and all applicable legislation and the Manager shall be liable for its negligent, wilful or criminal acts and its servants, surveyors, contractors, workmen and other persons duly authorised by it.

THE FIFTH SCHEDULE ABOVE REFERRED TO

“Works and Installations”

1. Structural elements;
2. External Wall finishes and roofing materials;
3. Fire Safety elements;
4. Plumbing system;
5. Drainage system;
6. Fire services installations and equipment;
7. Electrical wiring system;
8. Lifts installations;
9. Gas supply system;
10. Window installations;
11. Central air-conditioning system and ventilation system
12. Curtain wall system; and
13. Slope and Retaining Structures.

SEALED with the Common Seal)
of the First Owner and SIGNED)
by)
)
)
as duly authorised by resolution of the)
board of directors whose signature(s) is/are)
verified by :-)

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

INTERPRETED to the Second Owner by:-

[SEALED with the Common Seal)
of the Second Owner and SIGNED)
by)
)
)
as duly authorised by resolution of the)
board of directors whose signature(s) is/are)
verified by/in the presence of :-)]

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

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